

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

[✓] Surveillance

Name of Management Organisation : Nilo POM 2 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Sdn Bhd
 Plantation Name : Nilo Timur Estate and Nilo Barat Estate (PT Adei Plantation & Industry), Ladang Mutiara Estate, KKPA Sungai Buluh, KKPA SP 1 and KKPA SP 2 (PT Steelindo Wahana Perkasa), Safari Riau Estate (PT Safari Riau)
 Location : Sungai Buluh Village, Sub District of Bunut, District of Pelalawan, Province of Riau, Indonesia
 Certificate Code : **MUTU-RSPO/040**
 Date of Certificate Issue : 14 May 2019 Date of License Issue : 28 November 2020
 Date of Certificate Expiry : 13 May 2024 Date of License Expiry : 13 May 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 1.1 Remote Audit	08 to 09 June 2020	Moh Arif Yusni, Haikal Ramadhan Kharismansyah, Radytio Puspanjana; Andriobiko	Ardiansyah	Octo H.P.N Nainggolan
ASA 1.1 Onsite Audit	25 - 30 August – 02 September 2020	Moh Arif Yusni, Haikal Ramadhan Kharismansyah, Yohannes Hardian, Johannes Pandiangan		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 1.1	30 September 2020

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

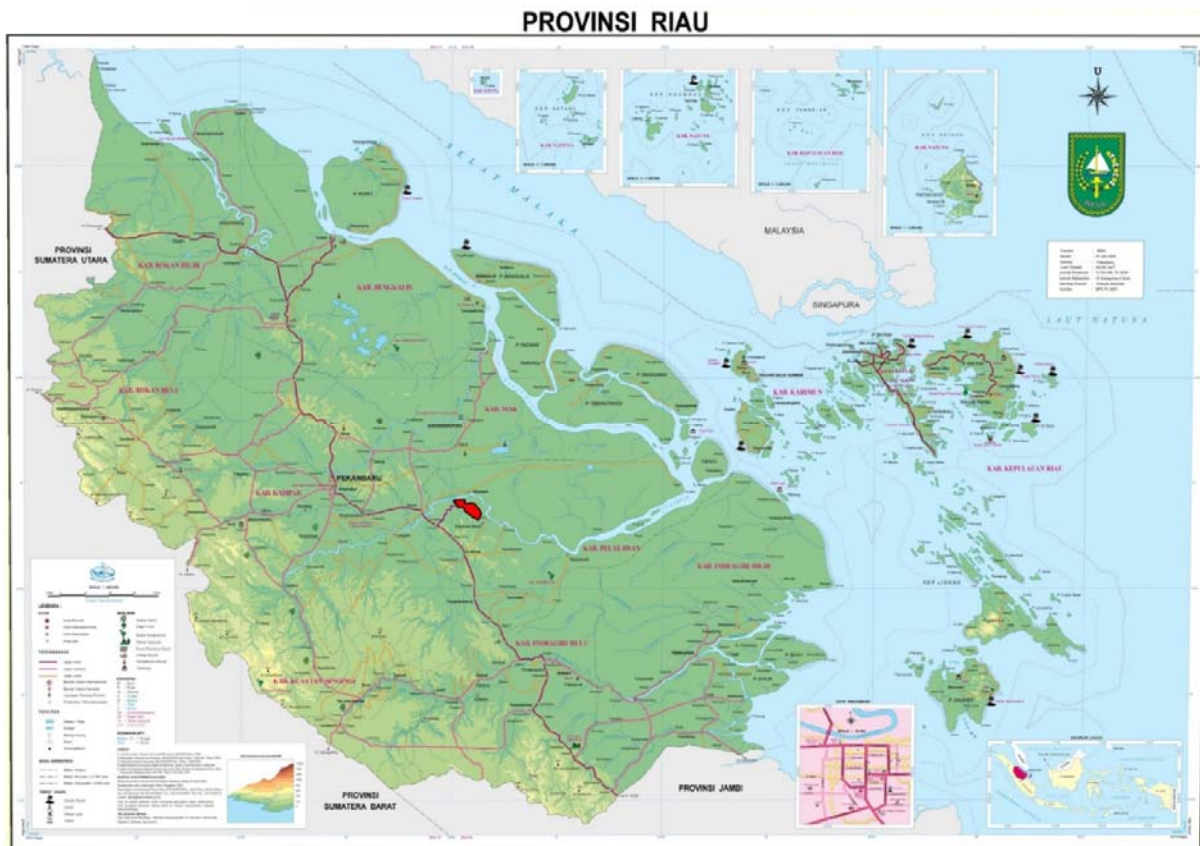


Figure 2. Operational Map of Adei Plantation & Industry – Nilo POM 2 and PT Safari Riau

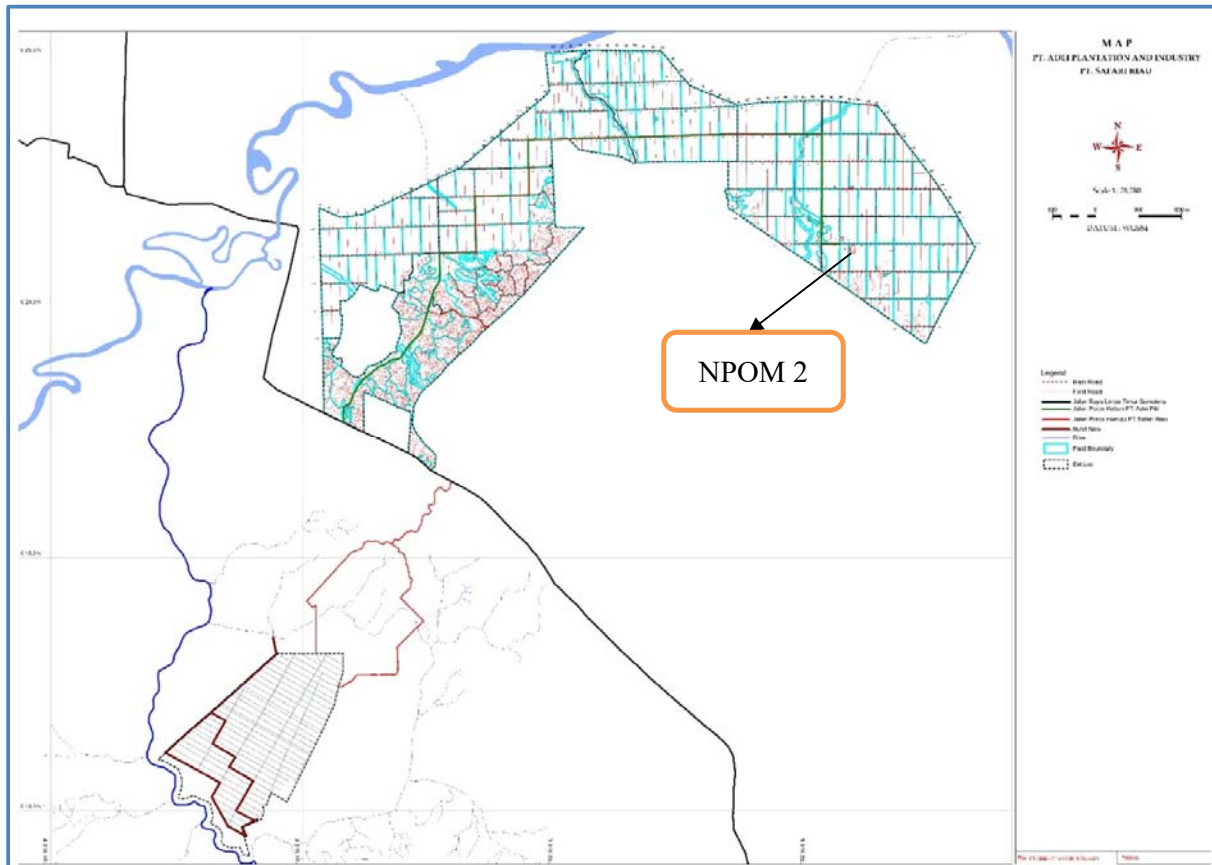


Figure 3. Operational Map of Sungai Buluh Smallholder Scheme

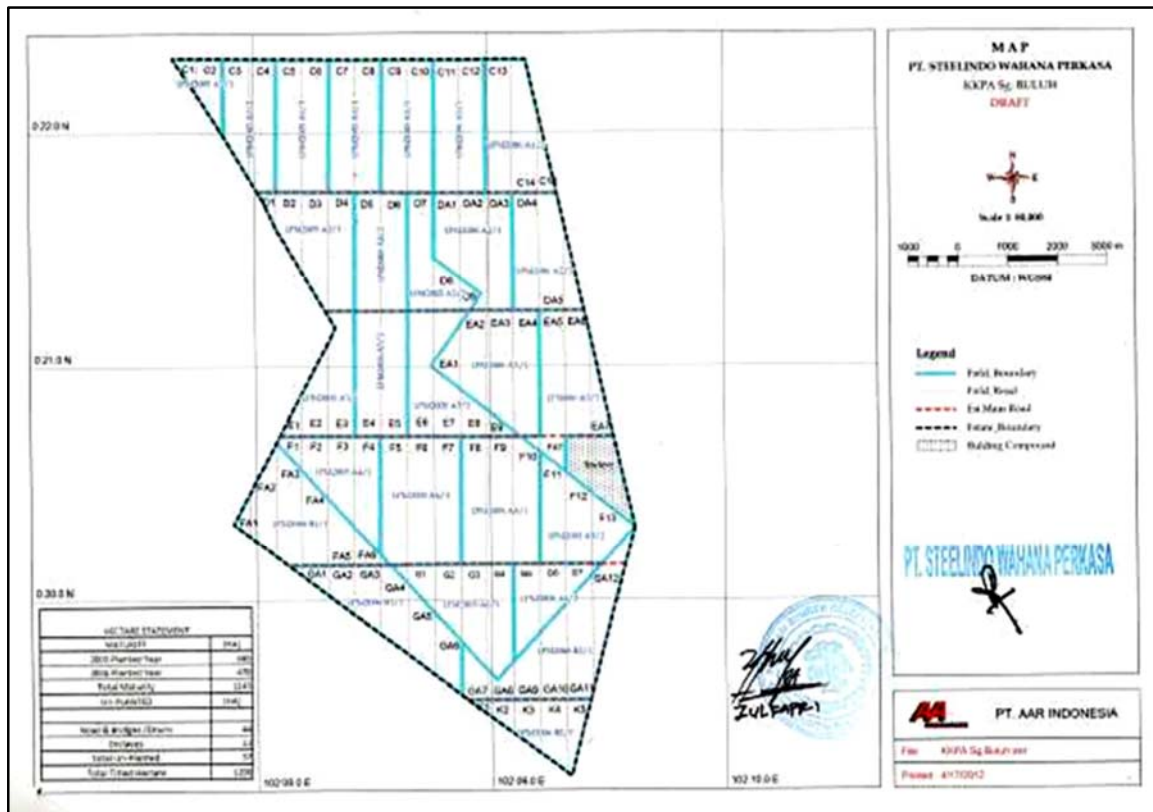


Figure 4. Operational Map of SP 1 Smallholder scheme

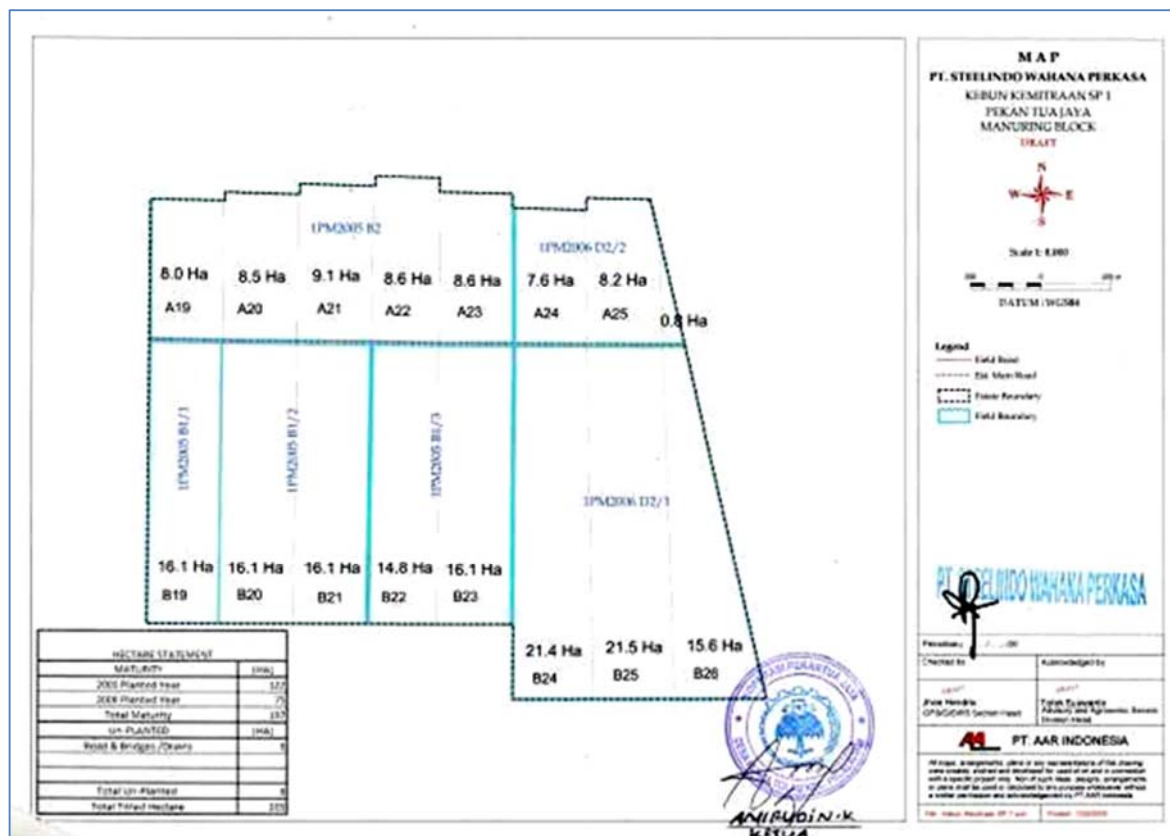


Figure 5. Operational Map of SP 2 Smallholder scheme

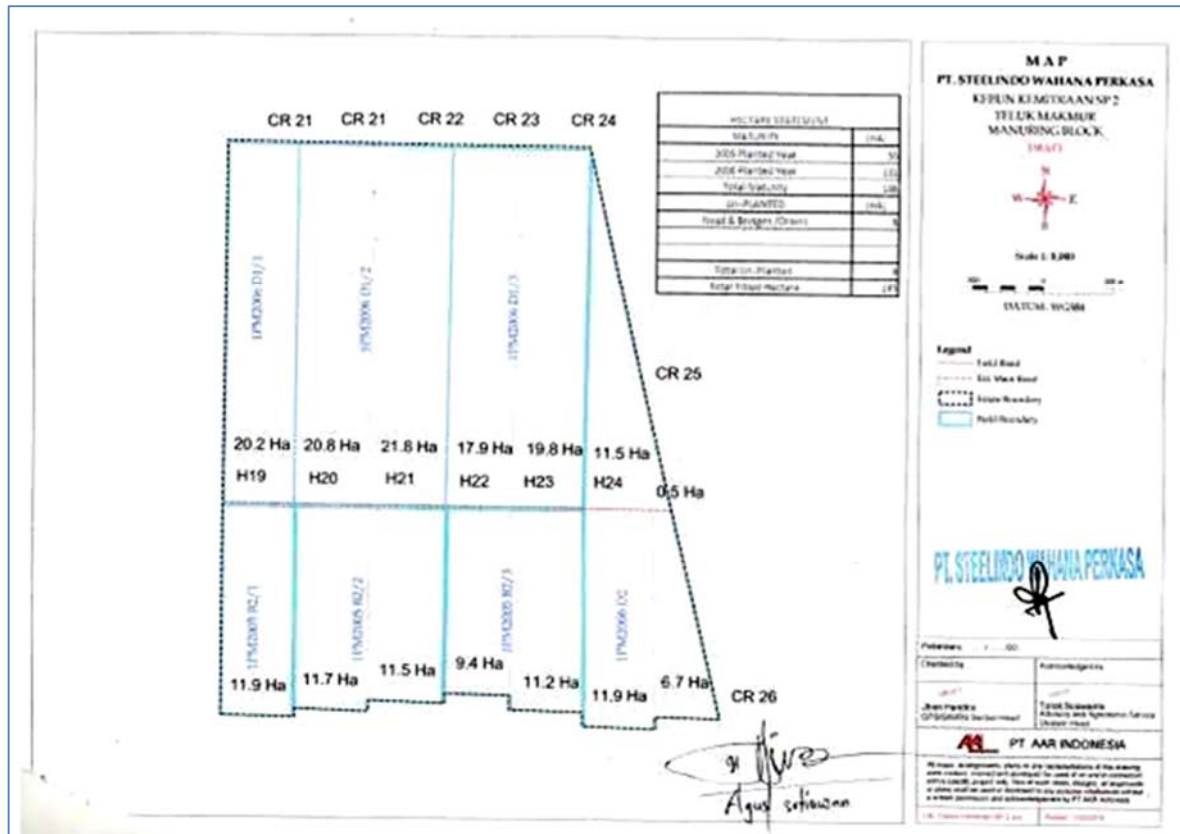
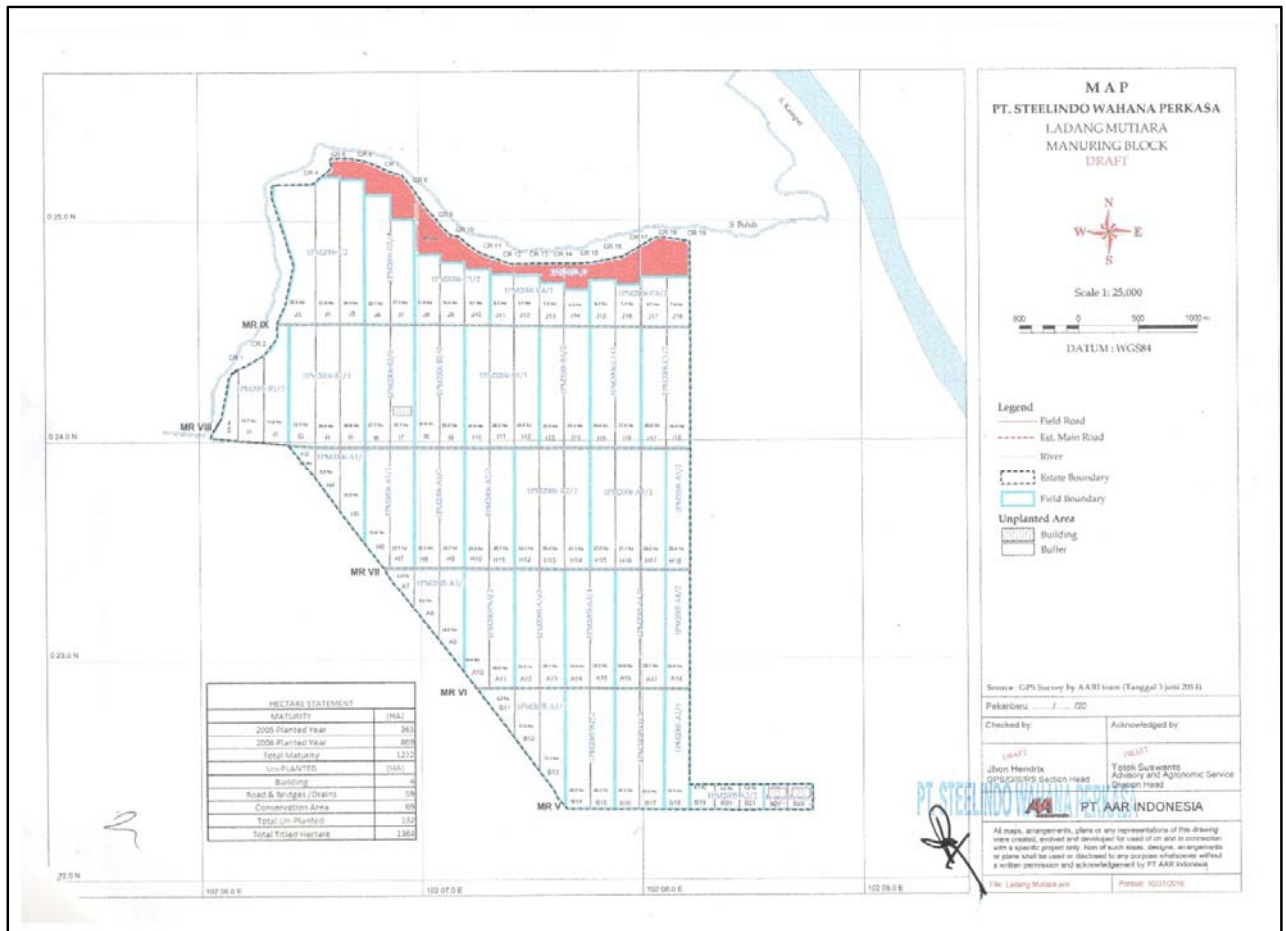


Figure 6. Operational Map of PT Steelindo Wahana Perkasa



Abbreviations Used

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

TPA	:	<i>Tempat Penitipan Anak (daycare)</i>
UMSP	:	<i>Upah Minimum Sektor Perkebunan (Minimum wages for the plantation sector)</i>
WLTK	:	<i>Wajib Laporan Tenaga Kerja (manpower report)</i>
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT	
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. RSPO Certification System for Principles and Criteria, 14 June 2017
1.2	Organisation Information	
1.2.1	Organisation name listed in the certificate	PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Bhd
1.2.2	Contact person	Thomas Thomas
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000 Liasion Office: Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau, Indonesia
1.2.4	Telephone	+6221 – 65310437
1.2.5	Fax	+6221 – 65310746
1.2.6	E-mail	Thomas.t@klk.com.my
1.2.7	Web page address	www.klk.co.id
1.2.8	Management Representative who completed the application for certification	Thomas Thomas
1.2.9	Registered as RSPO member	1-0014-04-000-00 18 October 2004
1.3	Type of Assessment	
1.3.1	Scope of Assessment and Number of Management Unit	PT Adei Plantation & Industry (Nilo POM 2, Nilo Timur Estate, Nilo Barat Estate), PT Steelindo Wahana Perkasa (Ladang Mutiara, KKPA Sungai Buluh, KKPA SP1 and KKPA SP-2) and PT Safari Riau (Safari Riau Estate) During this assessment there are extension scope of certification under NPOM 2, its due to Nilo POM 1 no longer continues the RSPO certification process and planned only processing FFB from out-growers. All estate who previously certified under Nilo POM 1 currently under the scope of Nilo POM 2. Furthermore, there are a change the name of the estate where Nilo Timur 1 Estate and Nilo Timur 2 Estate are merged under Nilo Timor Estate and Nilo Barat 1 Estate and Nilo Barat 2 Estate are merged under Nilo Barat Estate. Previously the scope during RC are Nilo POM 2, Nilo Timur 1, Nilo Timur 2), PT Steelindo Wahana Perkasa (Ladang Mutiara), KKPA Sungai Buluh, KKPA SP1 and KKPA SP-2
1.3.2	Type of certificate	Single

1.4	Locations of Mill and Plantation			
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Nilo POM 2	Village of Sungai Buluh, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 21' 08"	E 102° 05' 43"
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Nilo Timur Estate (PT Adei Plantation & Industry)	Village of Sungai Buluh, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0°21' 40"	E 102°05' 13"
	Nilo Barat Estate (PT Adei Plantation & Industry)	Village of Batang Nilo Kecil, Sub District of Pelalawan, and Village of Kemang, Sub District of Pangkalan Kuras, District of Pelalawan, Province of Riau, Indonesia	N 0°17' 48"	E 101°55'57"
	Ladang Mutiara Estate (PT Steelindo Wahana Perkasa)	Village of Sungai Buluh, Sub District of Bunut, District of Pelalawan, Province of Riau, Indonesia	N 0° 23' 09"	E 102° 07' 36"
	KKPA Sungai Buluh (Sumber Rejeki Cooperative) 656 smallholders (PT Steelindo Wahana Perkasa)	Village of Sungai Buluh, Sub District of Bunut, District of Pelalawan, Province of Riau, Indonesia	N 0° 21' 02"	E 102° 08' 52"
	KKPA SP 1 (Pekantua Jaya Cooperative) 98 smallholders (PT Steelindo Wahana Perkasa)	Village of Pekantua Jaya, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 22' 40"	E 102° 08' 47"
	KKPA SP 2 (Teluk Makmur Cooperative) 103 smallholders (PT Steelindo Wahana Perkasa)	Village of Pelalawan, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 23' 34"	E 102° 08' 31"
	Safari Riau Estate (PT Safari Riau)	Village of Terantang Manuk, Sub District of Pangkalan Kuras, District of Pelalawan, Province of Riau, Indonesia	N 0° 12' 04"	E 101° 54' 51"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State PT Adei P & I		12860.00	Ha
	• State PT SWP		1363.53	Ha
	• State PT SR		2500	Ha
	• Community		1600.00	Ha
	Total Land Tenure		18323.53	Ha

1.5.2	Area Statement								
		PT Adei P & I (Ha)	PT SWP (Ha)		PT SR (Ha)	Total (Ha)			
			Own Estate	KKPA					
	• Total area	12629	1363.53	1600	2,500	18,092.53			
	• Mature area	5884	1225	1527	1,549	10,185.00			
	• Immature area	5440	-	-	-	5,440.00			
	• Building, mil and emplacements	91	4	-	22	117.00			
	• Infrastructure (Road & Bridges)	140	69.53	60	111	380.53			
	• Nursery	27	-	-	-	27.00			
	• Reserve Area	709	-	-	27	736.00			
	• Conservation Area	198	65	-	-	263.00			
	• HCV	140	-	-	250	390.00			
	• Temporary Enclave	-	-	13	-	13.00			
	• Water catchment	-	-	-	541	541.00			
*There are 231 Ha of PT Adei P & I is exclude from certification scope because has been given to smallholders of Telayap									
1.6	Planting Year and Cycles								
1.6.1	Age profile of planting year								
	Planting Year	Hectarage (Ha)							
		KNT	KNB	LME	KKP Sg Buluh	KKPA SP1	KKPA SP2	SRE	Total
	1998	-	710	-	-	-	-	-	710
	1999	-	1157	-	-	-	-	-	1157
	2000	339	537	-	-	-	-	-	876
	2001	367	424	-	-	-	-	-	791
	2002	420		-	-	-	-	-	420
	2003	396	17	-	-	-	-	-	413
	2004	118	-	-	-	-	-	285	403
	2005	0	-	360	665	114	66	738	1943
	2006	0	-	865	478	75	129	473	2020
	2007	-	-	-	-	-	-	27	27
	2014	-	-	-	-	-	-	26	26
	2015	151	123	-	-	-	-	-	274
	2016	564	561	-	-	-	-	-	1125
	Sub Total Mature	2355	3529	1225	1143	189	195	1549	10185
	2017	301	221	-	-	-	-	-	522
	2018	1668	667	-	-	-	-	-	2335
	2019	510	646	-	-	-	-	-	1156
	2020	616	811	-	-	-	-	-	1427
	Sub Total Immature	3095	2345	-	-	-	-	-	5440
	TOTAL	5450	5874	1225	1143	189	195	1549	15625
1.6.2	New Planting area after January 2010		- Ha						

1.6.3	Planting Cycle			2 nd Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Nilo POM 2	60	123,899.89	25,961.74	20.95	6,210.84	5.01
<i>*Production data source from August 2019 to July 2020</i>							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted / Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Nilo Timur Estate	6,450.00	5,450.00	49,176.60	9.02	49,176.60	100.00
	Nilo Barat Estate	6,179.00	5,874.00	87,526.70	14.90	33,961.57	38.80
	Ladang Mutiara Estate	1,363.53	1,225.00	13,620.82	11.12	13,620.82	100.00
	Safari Riau Estate	2,500.00	1,549.00	53,080.04	34.27	8,326.40	15.69
	KKPA Sungai Buluh (656 SH)	1,200.00	1,143.00	13,994.79	12.24	13,994.79	100.00
	KKPA SP1 (98 SH)	196.00	189.00	2,327.98	12.32	2,327.98	100.00
	KKPA SP2 (103 SH)	204.00	195.00	2,491.73	12.78	2,491.73	100.00
	Total	18,092.53	15,625.00	222,218.66	14.22	123,899.89	55.76
<i>*Production data source from August 2019 to July 2020</i>							
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	-	-	-	-	-		
	TOTAL					-	
<i>*Production data source from August 2019 to July 2020</i>							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT) (28 May 2019 - 13 November 2020)		Last Year Actual Certified Volume (August 2019 to July 2020) (MT)		
			IP	MB	IP	MB	
	FFB Processed		247,229	16,684	123,899.89	-	
	CPO Production		48,356	3,432	25,961.74	-	
	Palm Kernel (PK) Production		11,588	798	6,210.84	-	
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (August 2019 to July 2020) (MT)				
	CSPO sold as RSPO certified product		15,473.37				
	CSPK sold as RSPO certified product		5,997.55				

	CSPO sold under other scheme			5,976.28				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			3,101.5				
	CSPK sold as conventional			0				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates		Total Area (Ha)	Planted / Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Nilo Timur Estate		6,450.00	5,450.00	52,100	9.56		
	Nilo Barat Estate		6,179.00	5,874.00	92,800	15.80		
	Ladang Mutiara Estate		1,363.53	1,225.00	14,400	11.76		
	Safari Riau Estate		2,500.00	1,549.00	53,500	34.54		
	KKPA Sungai Buluh (656 SH)		1,200.00	1,143.00	14,800	12.95		
	KKPA SP1 (98 SH)		196.00	189.00	1,450	7.67		
	KKPA SP2 (103 SH)		204.00	195.00	2,650	13.59		
	Total		18,092.53	15,625.00	231,700	14.87		
	*Projected FFB production for period of 14 May 2020 – 13 May 2021							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	NILO POM 2	60	208,530	43,800	21	9,380	4.5	IP
			23,170	4,860		1,040		MB
	*Projected FFB production for period of 14 May 2020 – 13 May 2021							
1.9	Other Certifications							
	Others			ISPO: MUTU-ISPO/067 issued by PT Mutuagung Lestari 06 December 2016 to 05 December 2021				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	MANAGEMENT UNIT		LOCATION		Coverage Area (Ha)	Time Bound	Status	
	P O M	Estate (Supply Base)						
	INDONESIA							
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur		7,971	2019	Certified	
		Hutan Hijau Mas	Berau, Kalimantan Timur		7,288	2019	Certified	
	Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur		14,086	2017	Certified 2017	
		Anugerah Surya Mandiri	Berau, Kalimantan Timur		2682	2021		
	MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah		9,056	2019	Certified	
		Menteng Java Sawit	Mentaya Hilir Utara,		6,399	2021	-	

	Perdana	Kalimantan Tengah			
KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2019	Certified
Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung	14,065	2012	Certified 1 January 2015
Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung	3,990	2013	Certified 2016
	Alam Karya Sejahtera	Belitung, Bangka Belitung	6,012	2013	Certified 2016
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified 2012
Nilo POM	Nilo	Pelalawan, Riau	12,860	2012	Certified 2014
	Smallholder PT Adei Plantation – NILO Complex	Pelalawan, Riau		2018	Certified
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012	Certified 2013
	Koperasi Tani Sahabat Lestari (Smallholder)	Kampar, Riau	1,294	-	Refuse to take a part RSPO process.
Stabat POM (LNK)	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified
Tg Keliling POM (LNK)	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2020	Certified
	Padang Brahrang	Langkat, Sumatera Utara	2,827	2014	Certified
Tg Keliling POM (LNK)	Maryke	Langkat, Sumatera Utara	2,827	2014	Certified
	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified
PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, Johor	2,977	2011	Certified
	Bandar Tenggara	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, Johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified

Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pemas	Pemas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telepong, Pahang	1,578	2012	Certified
	Tuan	Telepong, Pahang	1,353	2012	Certified
Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
	Bukit Kato				Certified 2013
	Kampar				Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified 2013
SABAH, MALAYSIA					
Mill 1		Tawau, Sabah		Outside Crop	
Mill 1	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong		2,864	2009	Certified 2009
	Pangeran		2,855	2009	Certified 2009
	Sri Kunak		2,770	2009	Certified 2009
	Pang Burong		2,548	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlelet		1,834	2009	Certified 2009
Lungmanis	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010

	Rimmer	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
		Tungku	Lahad Datu, Sabah	3,418	2010	Certified 2010
		Bukit Tabin	Lahad Datu, Sabah	2,916	2010	Certified 2010
	Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
		Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
	LIBERIA					
	No Palm Oil Mill	Butaw Estate	Liberia	8,011	2022	
	Plan Bay Mill	Plam Bay Estate	Liberia	13,007	2022	
	<p>*KLK Time Bond Plan has been updated on 29 July 2020 and develop by sustainability team</p> <p>Kuala Gris Estate and Kemasul Estate are included as the estate's NPP for conversion of rubber to oil palm has been approved by RSPO Secretariat on 8/7/2019</p> <p>Tanjung Keliling POM is a new mill. It was commissioned in September 2019</p> <p>PT Menteng Jaya Sawit Perdana area has been reduced to 2,384 ha. This is mainly due to removal of Hutan Tanaman Rakyat area from its concession.</p> <p>PT Bumi Makmur Sejahtera Jaya – 364 ha, became a subsidiary of KLK in 2018.</p> <p>KLK revised time bound plan has been consented by RSPO Secretariat on 28th July 2020. The justification for the revision is as follow:</p> <ol style="list-style-type: none"> 1. PT Bumi Makmur Sejahtera Jaya (Indonesia): 2021 due to HGU 2. PT Anugrah Surya Mandiri (Indonesia): 2021 due to development is still pending 3. PT Menteng Jaya Sawit Perdana (Indonesia): 2021 due to HGU 4. PT Putra Bongan Jaya: 2022, due to 4,460 Ha of the concession has yet obtain HGU and palm oil mill has yet to be constructed. The acquisition was completed in September 2018 5. Palm Bay Palm Oil Mill, Palm Bay Estate, Butaw Estate (Liberia): 2020, due to equatorial palm Ltd have been confronted with many challenges since embarkation on the RSPO certification journey, they are as follow: <ul style="list-style-type: none"> - Social issues: local workforce and stakeholders are poorly educated with capabilities to comprehend international requirements. There requirements are either disregarded or ignored, and not understood. Training and implementation have become a huge task both for the estate and palm oil mill. - Lack of infrastructure and services: there are limited technology or services providers in Liberia that are crucial for operations and compliance e.g.: schedule waste contractors/ local certification body and little support on maintenance of public infrastructure for e.g. road condition are extremely poor during the wet months. Many of the above have to imported and brought into the estate from far. - Covid-19: This pandemic has impacted the estate and POM operations. Many work delays have been recorded since the first quarter this year. We foresee this could continue under the new norm. - The POM has not been able to operate in full capacity since its inception, and it is now only running 4 days a week. The remaining units i.e. kernel crushing plant and biogas plant which are supposed to be constructed and operate together with the POM are still pending. The project has been halted due to the issues highlighted in point b and point c. 					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Associated smallholders has been certified since 27 December 2018.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1.1 Remote Audit	<ol style="list-style-type: none"> Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality and Social Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMIT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. Aspect audit: Long term management plan, Environment, HCV, GHG. Haikal Ramadhan Kharismansyah (Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experiences 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, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000, SA 8000, ISO 14000 and SCCS. Has conducting ISPO and RSPO audit with expertise on best management practices, OHS, Worker Welfare, and SCCS. During this audit he verify Best Management Practices, OHS, Worker Welfare and SCCS Andriobiko (Trainee Auditor). Associate Expert in Oil Palm Plantations. Experienced in several national private oil palm plantation companies as Operational Staff in 2008-2019. Has attended ISPO Auditor training.
ASA 1.1 Onsite Audit	<ol style="list-style-type: none"> Moh Arif Yusni (Lead Auditor). Haikal Ramadhan Kharismansyah (Auditor). Yohanes Hardian. Indonesian Citizen. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA Remark Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RSPO And ISPO Since 2014. During this audit, he assigned to verify, social aspect, and HCV Johannes Kapri Pandiangan (Trainee Auditor). Bachelor of Agriculture, Department of Agricultural Social-Economics, Faculty of Agriculture. Has 7 years of experience working as operational staff in one of the leading private oil palm plantation companies in Indonesia. The training that has been attended includes: Forest and land fire emergency response training by BKSDA Riau Province, IHT ISPO P&C Certification System, IHT Awareness ISO 17021 and 17065, IHT Awareness RSPO, ISO 14001: 2015 Lead Auditor Training, and ISO 9001:2015 Lead Auditor Training During this audit he verify Best Management Practices under supervised by Moh Arif Yusni and Haikal Ramadhan K
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA 1.1 Remote Audit	<p>Number of auditors: 3 auditor and 1 auditor trainee</p> <p>Number of days for Remote audit ASA-1.1 : 2 days</p> <p>Number of working days for Remote audit ASA-1.1 document review : 6 Working days</p>

ASA 1.1 Onsite Audit	<p>Number of auditors: 3 auditor and 1 auditor trainee</p> <p>Number of days for onsite audit ASA-1.1 : 6.5 days</p> <p>Number of working days for onsite audit ASA-1.1: 19.5 Working days</p>
2.2.2	Assessment Process
ASA 1.1 Remote Audit	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation and Industry to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>For this section (Remote Audit RC) The assessment was conducted in One method: document review, aiming to observe the sufficiency of types or substances from required documents. Improvement of findings from recertification findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 1.1. Remote Audit report.</p> <p>PT Adei Plantation and Industry it's a subsidiary of Kuala Lumpur Kepong bhd that consisting of two Mills (Nilo POM 1 and Nilo POM 2). The ASA 1.1 Remote Audit are carried out simultaneously between Nilo POM 1 and Nilo POM 2. This is conducted together due to the two certification units are one company and management units, so the documents related legal, social, environmental, CSR, SOP / work instructions and company policy are same. the difference from both certification units are related to the field implementation. in addition, every work agreement with an external party is made on behalf of PT Adei Plantation and Industry.</p> <p>The opening meeting was held on Monday 08 June 2010 at 08.30 am through a teleconference (Google Meet). As for the participants who attended the opening meeting included the Estate Manager, Mill Manager, Support Team from sustainability department and other relevant staff. while the closing meeting will take place on 11 June 2020 at 15 pm. attended by the same participants as the opening meeting. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well using email or google drive.</p> <p>The assessment program please find Appendix 2</p>
ASA 1.1 Onsite Audit	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation and Industry to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>PT Adei Plantation and Industry is a subsidiary of Kuala Lumpur Kepong bhd that consisting of two Mills (Nilo POM 1 and Nilo POM 2). Previously the scope of certification is separately between POM 1 and POM 2, however for the new license ASA 1.1 the scope of certification will change, where Nilo POM 1 no longer continues the RSPO certification process and planned only processing FFB from out-growers. All estate who previously certified under Nilo POM 1 currently under the scope of Nilo POM 2. Furthermore, there are a change of the name of the estate where Nilo Timur 1 Estate and Nilo Timur 2 Estate are merged under Nilo Timor Estate and Nilo Barat 1 Estate and Nilo Barat 2 Estate are merged under Nilo Barat Estate. So the scope of certification is Nilo POM 2 with FFB supply from Nilo Timur Estate and Nilo Barat Estate (PT Adei Plantation & Industry), Ladang Mutiara Estate, KKPA Sungai Buluh, KKPA SP 1 and KKPA SP 2 (PT Steelindo Wahana Perkasa), Safari Riau Estate (PT Safari Riau)</p> <p>Based on RSPO Notice to CB on 24 March 2020 RSPO Secretariat has decided that surveillance and recertification audits can be partially performed through a combination of remote and on-site. During on-site audit auditor will concern/focus to the indicator that will be verified during the on-site audit (attached in annex 1 RSPO notice to CB Documents), implementation of the procedure including field observations and public consultation with stakeholders</p>

	<p>The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.</p> <p>Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.</p> <p>Some opportunities for improvement of the results ASA 1.1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.2). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 1.1</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>NILO POM 2</p> <ul style="list-style-type: none"> - Weigh bridge. Observation and interview related SCCS implementation and employment - Sortation and Grading. Observations and interviews regarding work procedures, OHS aspects, and aspects of employment - Sterilizer. Observations and interviews regarding work procedures, OHS, and aspects of employment - Boiler. Observations and interviews regarding work procedures, OHS, and aspects of employment - Engine Room. Observations and interviews regarding work procedures, OHS and aspects of employment - Hydrant Simulation. Observation regarding the readiness of officers and infrastructure for fire emergency response - Kernel Station. Direct observation and operator interviews at the kernel station related to technical work, use of PPE, and employment (periodic health checks). - Clarifier Station. Direct observations and operator interviews at the clarifier station related to technical work, use of PPE, and employment (periodic health checks). - Firts Aid and Fire Extinguisher. Observations regarding the completeness and readiness of fire equipment - Chemical warehouse: observation and interview of officers related to storage procedures and OHS - Hazardous Waste Storage: observation and interviews of officers regarding storage procedures and OHS - WTP: flowmeter observation and interview water treatment procedures at Mill and OHS - Workshop: observation and interviews of officers related to OHS and procedures - WWTP: flowmeter observation and interview on wastewater treatment procedures at Mill and OHS - Water Reservoir: observation of reservoir conditions and around reservoirs. - EFB area: observation of EFB collection conditions related to solid waste and liquid waste management. - Security. Observation regarding the wage system and the work responsibilities of the security team <p>Nilo Barat Estate</p> <ul style="list-style-type: none"> - Boundaries Pole No 137, 136 and 135 Observation of aspect of land demarcation and maintenance of

- HGU pole, and land dispute potency.
- **Muka Pulau river**, observation related riparian banks management
- **Water outlet Block PR19B**, observation related water management and automatic water level sensor monitoring
- **Replanting Area Block PR19B**, Observation related replanting area that carried out in 2019
- **Boundaries Pole No 149, 151 and 152**, Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Telayap River**, observation related HCV and riparian banks management
- **Circle and Path Spraying. Block 49. Division 3**. Observation and interview regarding application procedures and how to safely use pesticides
- **Landfill. Block 49 Division 3**. Observation regarding management of domestic waste
- **Nursery**. Observations regarding the management of nurseries, storage of chemicals, and aspects of OHS and employment
- **Piezometer. Block 17 and Block 14 Division 3**. Observations regarding the calculation and maintenance of peat water level monitoring tools
- **Subsidence pole. Block 14**. Observations regarding monitoring of peat subsidence and its maintenance
- **Fertilizer Warehouse**. Observations related to chemical fertilizer management, OHS and environmental aspects.
- **Pesticide warehouse**. Observations related to pesticide management, OHS and environmental aspects.
- **Material warehouse**. Observations related to the provision of first aid, PPE facilities.
- **House for rinsing, mixing chemicals, PPE warehouse and spraying tools**. Observations related to technical work, preparation for spraying and after spraying, OHS and the environment.
- **Hazardous Waste Storage**. Observations related to work procedures, employment, OHS, and the environment.
- **Housing**. Observation of housing facilities
- **Fire Warehouse**. Observation of the readiness of land fire infrastructure.
- **POME Land Application, Block 43**. Observation for POME management as nutrient cycle by land application, as well as environmental and OHS aspects.
- **Health clinic**. Observation related to health facilities.

Nilo Timur Estate

- **Boundaries Pole No 37, 38 and 39** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Buluh river**, observation related HCV and riparian banks management
- **Replanting Area Block PR20A7**, Observation related replanting area that carried out in 2020
- **Subsidence Pole Block PR20B7**, observation related peat management and subsidence monitoring
- **Piezometer, Block PR20A7**, Observation related peat management and water monitoring
- **Empty Fruit Bunch Application Block PM02A2**, observation related EFB Application, OHS and worker welfare
- **Harvesting. Block 52 Division 8**. Observations and interviews regarding harvesting procedures, wage systems, and OHS aspects
- **Manuring. Block 16. Division 8**. Observations and interviews regarding manuring procedures, wage systems, and OHS aspects
- **P & D Spraying. Block 30 Division 8**. Observations and interviews regarding spraying procedures, wage systems, and OHS aspects
- **FFB Transporting. Block 36 Division 8**. Observations and interviews regarding FFB transporting procedures, wage systems, and OHS aspects
- **Racking. Block 61. Division 7**. Observations and interviews regarding work procedures, wage aspects, and OHS aspect

Ladang Mutiara Estate

- **Boundaries Pole No 53, 47, 44; 43 and 42**. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.

- **Fire monitoring tower Block J18**, observation related emergency respond facility
- **Fire fighting equipment storage**, observation related emergency respond facility
- **Hazardous Waste Storage**, observation of emergency response equipment and facilities for managing hazardous waste
- **Replanting and Fire Tower in block B17**: observation of fire tower facilities and condition of the replanting area
- **Water reservoir in Block B11**, observation water support facilities for land fire facilities.
- **Housing**. Observation of housing facilities
- **Chemical Warehouse**. Observation of chemical warehouse facilities and OHS facilities
- **FFB Harvesting, Block H17**. Observation and interviews with harvesters regarding FFB harvesting activities, FFB quality, OHS and labor.
- **Circle and Path Spraying, Block J17 / J18**. Observation and interviews with spray workers regarding spraying activities, OHS and Manpower aspects and the impact on the environment
- **Circle raking manual, Block J6**. Observation and interviews with workers regarding circle raking activities, OHS and labor.
- **Piezometer, Block H18**. Observations related to water management in peatlands
- **Water level stick, Block A18**. Observations related to water management in peatlands

Safari Riau Estate

- **Boundaries Pole No 35,36,37 and 38**: Observations related to HGU area boundaries and potential land disputes
- **HCV forest on the Nilo River border**: Observations related to conservation area management
- **Subsidence benchmark, piezometer, water level in Block A13** : observation of peat area management
- **Fertilizer Warehouse**: Observation of fertilizer storage and OHS facilities
- **Hazardous Waste Storage**: observes emergency response equipment and facilities for managing hazardous waste
- **Storage of PPE and spray equipment**: observation of completeness of storage facilities and storage conditions and OHS facilities
- **Firefighting equipment storage**, observation related emergency respond facility
- **FFB Harvesting, Block B5 Division II**. Observation and interviews with harvesters regarding FFB harvesting activities, FFB quality, OHS aspects and labor.
- **Circle and Path Spraying, Block E28 Division II**. Observation and interviews with spray workers regarding spraying activities, K3 and Manpower aspects and the impact on the environment
- **Manuring, Block A21/A22. Division I**. Observations and interviews regarding manuring procedures, wage systems, and OHS aspects
- **FFB Transporting, Block A19 Division I**. Observation of work procedures, wages, occupational health and safety and labor
- **Housing**. Observation of housing facilities
- **Landfill, Block E28 Division II**. Observation regarding management of domestic waste
- **Children Day Care**. Observation of aspects of employment, OHS and wages

KKPA SP2

- **Harvesting and Spraying, Block 23**. Observations and interviews regarding harvesting procedures, wage systems, and OHS aspects
- **Chemical Warehouse**. Observations and interviews regarding the management of Hazardous and Toxic Material and its waste

Stakeholder

1. Public consultation with government of Pelalawan Regency (Regional Environmental Agency; Regional of Labor Agency; National Land Agency and Regional Plantation Agency)
2. Public consultation with surrounding community (local contractor, Batang Nilo Kecil Village, Kemang Village and Telayap Village)
3. Public consultation with Internal Stakeholders (Gender committee, Labor Union)

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>Consultation of stakeholders for Nilo POM 2 was held by:</p> <ol style="list-style-type: none"> 1. Public Notification on PT Mutuagung Website on 10 August 2020 2. Consultation with government Agency of Pelalawan Regency on 25 August 2020 3. Consultation with the local community on 28 August 2020 4. Public consultation with internal stakeholders (representatives of Bipartite Workers' / LKS and cooperative management) on 29 August 2020 5. Consultation with relevant NGO (Walhi, Sawit Watch, WWF, and AMAN) via e-mail on 20 August 2020 <p>Public Stakeholder Notification was made on Mutucertification International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 2</i>
2.4	Determining Next Assessment
	The next visit ASA -1 .2 will be conducted eight (8) month to twelve (12) month after date of annual license (23 April 2020)

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of supply base of PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd operation consisting of one (1) mill, four (4) oil palm estates and three (3) scheme smallholder (857 Smallholders).

During the assessment, there was nil (0) nonconformity were identified and four (4) opportunity for improvement that identified

MUTUAGUNG LESTARI found that Nilo POM 2 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd complied with the requirements of *Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.*

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has established a list of documents that can be accessed by the public as follows:</p> <ul style="list-style-type: none"> • Regional Director - memo. • Purchasing unit. • Crop report. • Agreement. • Insurance. • Logbook requests for information. • Logbook complaints / requests for assistance.. • Incoming / outgoing mail. • RSPO internal / external audit. • Accident report. • Land Use Rights • Human rights policy • Company policies • Plasma estate reports (including financial statements and credit dependents) <p>These documents can be accessed by submitting a previous request to management.</p>	
1.1.2	<p>The company has shown the SOP for Requesting and Providing Information, Communication and Submission of Complaints with a revised date of 10 August 2017 which was ratified by the Research & Development Director on December 30, 2017. The procedure, among others, explains that the information request mechanism is divided into 2, namely requests for information in writing (letter, email) and verbal requests for information (telephone, visiting people). The document also explains that the response period is 14 days. The officer responsible for responding to stakeholders is the Manager / Assistant / head of administration / Public Relations</p>	

Types of documents that can be accessed by stakeholders include: Crop reports, agreements, insurance, request information log books, complaints / requests for help log books, OHS programs, incoming / outgoing letters, internal / external RSPO audits, accident reports, land use rights, Human rights policies, company policies.

Based on the results of document review of incoming and outgoing letters that have been shown by the company, it is known that both the provision of information and responses to requests for information are carried out in Indonesian.

1.1.3

The company has an Information Services procedure contained in the SOP of Requests and Providing Information, Communication and Submission of Complaints with a revised date of November 24, 2018 which was approved by the Research & Development Director on December 30, 2017. Based on the SOP it is explained that the information request mechanism is divided into 2 namely information requests in writing (letters, e-mails) and verbal requests for information (telephone, visiting people) and stakeholder list must be updated if there are changes or once a year. The document also explained that the response period was 14 days.

The company documents the list of incoming letters from stakeholders for the period 2019 and 2020. Incoming letters from stakeholders is related to requests for assistance. For example, there was an incoming letter from the chief of the At-Taqwa mosque in Telayap village on March 10, 2020 related to the request for funds for the commemoration of Isra 'Mi'raj. The company responded and realized the assistance on March 17, 2020 by showing gratitude from the At-Taqwa mosque management in Telayap village.

1.1.4

The company has an Information Services procedure contained in the SOP of Requests and Providing Information, Communication and Submission of Complaints with a revision date of 3 November 24, 2018 which was endorsed by the Research & Development Director on 30 December 2017. Based on the procedure the list of stakeholders and logbooks is explained, resolving issues, evaluation and officers conduct communication, consultation and outreach. The document also explained that the officers responsible for conducting communication, consultation and outreach with stakeholders were managers and public relations.

The company demonstrated the socialization of consultation and communication procedures to all factory employees and contractors on February 14, 2020 where the NPOM-1 dispatch station was attended by 31 participants

1.1.5

The company has a list of stakeholders that inform the name of the institution / agency, contact person, position, cell phone number, and address for each unit as follows:

- PT ADEI P&I on May 30, 2020
 - a. Government agencies and legal entities: 18 stakeholders
 - b. Trade Unions: 3 stakeholders
 - c. Partner / supplier: 22 stakeholders
 - d. Community leaders, cooperatives and sub-district heads: 19 stakeholders.
 - e. Contractors: 5 stakeholders.
 - f. NGO : 5 stakeholders
 - g. Internal stakeholders: 24 stakeholders.
- PT. Safari Riau on March 17, 2020
 - a. Government agencies and BUMN: 19 stakeholders
 - b. Trade Unions: 1 stakeholder
 - c. Partner / supplier: 20 stakeholders
 - d. Community leaders, cooperatives and sub-district heads: 16 stakeholders.
 - e. Contractors: 9 stakeholders.
 - f. NGO : 5 stakeholders
 - g. Internal stakeholders: 20 stakeholders.

- PT. Steelindo Wahana Perkasa:
 - a. Government agencies and BUMN: 12 stakeholders
 - b. Trade Unions: 1 stakeholder
 - c. Partners / suppliers (hospitals, banks, heavy equipment and automotive spare parts providers, building shops, etc.): 22 stakeholders
 - d. Community leaders, cooperatives and sub-district heads: 9 stakeholders.
 - e. Contractor: 2 stakeholders.
 - f. NGO : 5 stakeholders
 - g. Internal stakeholders: 24 stakeholders.

For example, the list of stakeholders Office of Manpower and Transmigration in Pelalawan District, Mr. Iskandar, address of the Praja Bakti Complex, Pangkalan Kerinci contact person 0761-494834.

Status: Comply

1.2

The unit of certification commits to ethical conduct in all business operations and business transactions.

1.2.1

Kuala Lumpur Kepong Group has a written policy that respects human rights. KLK supports the Universal Declaration of Human Rights by the United Nations / United Nations. The policy was approved by the Chief Executive Officer / CEO on December 1, 2014. The policy was communicated to workers, posted in each Office.

Commitment to ethical behavior in all operations and transactions contained in the Code of Conduct for Employees (4.6) dated October 1, 2014.

Employees are expected to understand and comply with the laws, provisions and regulations of their positions and / or work, including but not limited to laws relating to anti-money laundering, anti-terrorism funding, anti-corruption, personal data protection and competition. The company has the right to report any actions or activities that are suspected of being criminal to the police or other relevant authorities.

Based on the results of interviews with contractors, it is known that the contractors already know and understand that there are prohibitions on ethical business behavior, for example the prohibition on bribery, corruption, prohibition of child labor and forced labor.

The company demonstrates the exercise of ethical behavior in all business operations and transactions, recruitment and contracts. For example, the contract of work contract PT. Indotama Jaya Mas No. Article 5 of ADEI-KNT / SPPB / 163/2019 states that all workers must obey the rules of safety and health in the workplace.

1.2.2

The company has a system for monitoring compliance and implementation of the policy, as well as overall ethical business practices. Companies routinely carry out financial audits carried out by external audits or audits of public accountants. The company has SSOP (Sustainability Standard Operational Procedure) 1 concerning requests and provision of information, communication and submission of complaints. Point C explains about submitting complaints. the things described in point C are:

1. Definition of a complaint
2. Type of complaint
3. Channels for submitting complaints
4. Process flow
5. Protection of employees against retaliation
6. Training
7. Annual review and evaluation

The company has the financial statements of PT. Adei Plantation & Industry dated 30 September 2019 conducted by Anwar and Associate Public Accounting Firm (Business License Number: KEP / 665 / KM.I / 2015 (Public Accountant License No. AP. 1164). In the audit opinion stated that the financial statements presented fairly in all material respects

and financial position as of September 30, 2019 in accordance with financial accounting standards in Indonesia. Based on the results of interviews with workers, it was found that the company did not discriminate or bribe employees in hiring.

Monitoring is carried out by the company's sustainability team by sending a monthly sustainability work report checklist form. One of the monitoring carried out is compliance with the use of PPE for contractor workers. Meanwhile, compliance with ethical business practices is monitored through an internal audit of a public accountant.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

Based on document verifications the unit of certification can presented comply with applicable regulations, for example

Land Legality and business permit

The certification scope area has had HGU, and HGU on process, as well as IUP. Beside that CH also has had business permit consist of:

- *Surat Pendaftaran Usaha Perkebunan*/ Registration of Plantation Business on behalf of PT Adei Plantation on 2002 for oil palm plantation as large as 12,860 Ha and mill with capacity 60 Ton FFB/ hour
- Plantation Business Permit (*Izin Usaha Perkebunan/ IUP*) on behalf of PT Steelindo Wahana Perkasa on 2007 for oil palm plantation as large as 1,800 Ha.
- Plantation business permit for smallholders is *Surat Tanda Daftar Budidaya (STDB)* which issued by Plantation Agency on 2017 for all smallholders in this certification scope.
- Plantation Business Permit (*Izin Usaha Perkebunan/ IUP*) on behalf of PT Safari Riau on 2006 for oil palm plantation as large as 2,500 Ha.

Environment

The company has shown compliance with environmental regulations, such as:

- Conduct management and monitoring of environmental impact every semester and reporting to Environmental Agency
- Store hazardous waste in the licensed hazardous warehouse
- POME to Land application permit
- Conduct replanting by a mechanical method not using fire.
- Allocate and give community CSR every year.
- The company has acquired renewal upon hazardous waste storage permit.
- The company has established a cooperation with licensed hazardous waste transporter.
- The company has been handling hazardous, domestic, and palm oil processing waste according to applicable regulations.
- The company already has EIA documents
- Already has and Pome application land permit

Aspect Best Management Practice

In terms of best management practices, it is known that plantation and mill management has implemented several compliances with Indonesian laws and regulations, for example not using the burning method in the land clearing process, trees planted are from seed producers (DxP) which are recognized by the Indonesian government. Each unit of the Unit of Certification has implemented integrated pest management, biological control and only uses pesticides that are listed on the pesticide government website.

Employment and OHS Aspect

Permit Deed

- No 001 / KU / 2003 for the PT Adei Plantation & Industry boiler in April 2003 by the Head of the Pelalawan Regency

Manpower Office.. The license deed said that it must be repeated checking and testing at least once every two years

- No. 002 / BU / 2003; No 003 / BU / 2003; 03 / BP0042; and 03 / BP0043 for sterilizers No. 1 to No. 4 which were approved by the Head of the Pelalawan Regency Manpower Office in 2003 and 2006. The license deed said that it must be repeated checking and testing at least once every two years

Inspection of Mill Machinery by Authorized Officials

- Results of the boiler inspection dated December 2, 2019 by the specialists of the OHS steamship and pressure vessel specialist in Riau Province with NIP 197908212005011005 with the conclusion of the inspection stating the is in good condition and can be used as it should
- Sterilizer inspection dated December 2, 2019 by PT Alberic Indra Pramana's Technical Inspection Services conducted by steamship OHS Expert in accordance with the certificate of inspection No.Cert-BU.XII.0002-19 dated 03 December 2019 was stated in good condition. This has been approved by the Supervisory Employment Specialist of Occupational Health and Safety Vessel and Pressure Vessels Riau province with NIP 197908212005011005

Operator License

The unit of certification already has a list of Operator License accompanied by information on certificate number, person in charge, and status. For example license for POM 2 power plant operator with license number 14.454-OPMK3PTP/XII/2013 Valid until 31 December 2023 and license for TLB (Tractor Loader Backhoe) operator with license number 19..13.30786OPK3-PAA/I/2014 valid until 23 January 2024.

Hyperkes

The unit of certification demonstrates hyperkes for medical personnel as follows:

1. dr Khairul Abdi with certificate Number 55.113/DBK3-DH/09/XVII/2019 September 2019
2. dr Ari Pusuphi Nisyar with certificate number 44.007/DBK3-DH/05/IV/2017 May 2017
3. Fitrawati Laila. AM.Keb with certificate number nomor.27.179/DBK3-PM/09/XVII/2019
4. Novia Supiani, A.Md.Keb with certificate number No.27.183/DBK3-PM/09/XVI/2019

2.1.2

The CH has a mechanism to assess compliance with the law and regulation, in accordance with the procedures of Regulatory Compliance and Applicable Law (No. 02 dated 1 August 2013). Starting with inventorying and make a list of the rules applicable in regional, national, and international, and updating it annually or if necessary. The list of regulation shown contained of the field of employment, environment, HCV, OHS, and legality of land use are in place. Those lists were include of regional, national, and ratified international regulations. CH has conducted and documented evaluation adherence to rules, regulations and other requirements employment field annually. The latest regulatory compliance audit has been carried out based on a report dated august 2020. To ensure compliance with law or regulations, the company conducts an internal RSPO audit. Internal audits have been conducted continuously and are documented and reviewed in the management review activities, latest February 2020

2.1.3

Map of legal boundaries are available in audit site. Boundaries markers monitored once a year according to SOP demarcation and maintenance of boundary markers (SOP No. 4 revised on 10 August 2017), the last monitoring already carry out on October 2019 with the results of monitoring its known if all boundaries poles are good and maintained. From interviews with the local communities are not identified any cases of border violations. Based on field observation by auditor team, checking the sampled boundary poles using GPS tool GARMIN 62s, on Boundaries Pole in Nilo Barat Estate Pole No 137, 136 135, 149, 151 and 152, Nilo Timur Estate Pole No 37, 38 and 39; Ladang Mutiara Estate Pole No 53, 47, 44; 43 and 42, Safari Riau Estate Pole No 35,36,37 and 38 all pole are in good condition and in accordance with the coordinate. During field visit in KKPA SP 1 found boundary markers between community plantation. The marker is made from pipe with red color in the number.

OFI during previous assessment has been follow up during this audit and it was known that all the boundaries are clearly visible in the field, the boundaries formed is made from pipe with red color in the number. Based on observation, there was no planting beyond their land boundaries. Based on interviews with smallholders and the results of field

observations there are no areas of smallholders who are in the process of dispute.	
Status: Comply	
2.2 All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.	
2.2.1 List of all contractor's parties been maintained by the unit of certification. In monitoring the use of contractors for plantation and mill activities, the certification unit has well documented the list of contractors, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. Based on document verifications there are no contractors related workers recruitment agencies	
2.2.2; 2.2.3 Document verification of the unit of certification can present the evidence if all contracts, including those for FFB supply, contain a specific clause on meeting relevant legal requirements. Clauses related legal requirements are mentioned in all works agreements in article 5 who described the fulfilments to Minimum Wages, Participate in the Insurance and Social Security program (BPJS), no child labor, force labour, PPE provision, and etc. As the implementation, the unit of certification can present several efforts to ensure the fulfilment of the legal aspect for contractors among others the evidence of payment of Insurance and Social Security program (BPJS). The results of field observation and interviews with contractor workers can be concluded that workers had been included in the Insurance and Social Security program (BPJS), the use of PPE, and minimum wages in accordance with the law and there is no child labor.	
Status: Comply	
2.3 All FFB supplies from outside of the unit of certification are from legal sources.	
2.3.1; Based on the results of a review of the TBS document for the 12-month period before the audit (August 2019 – July 2020) it is known that all FFB received by Nilo POM 2 originates from areas RSPO certified area as below the scope of Nilo POM 2.	
2.3.2 Not Applicable on this certification scope, because the mill not received indirectly source of FFB.	
Status: Comply	
PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE	
3.1 There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.	
3.1.1, 3.1.3 PT. Adei Plantation & Industry, PT SWP, and PT Safari Riau (2018 – 2022) has set the long-term business plan for period 2018 – 2023 that informed of hectare statement, planting material (seed), projection of FFB production, extraction, price estimation, revenue, cost, tax, profit and another financial indicator. This business plan has included for scheme smallholders. During the audit, auditor also verify the report public accountant audit that stated opinion of the company's financial report is fair. The long-term plan also considers the result of drainability assessment, which inform the area is still viable for the next cycle. Regarding the achievement of the company's annual targets, management review meetings have been held for each unit. The management review of the company was carried out on February 28, 2020 in the KNB 1 meeting room which was attended by 38 people consisting of top management, managers, assistants, staff and executors of Sustainability. PT SWP The management review of the company was carried out on 17 February 2020 in the Ladang Mutiara meeting room, which was attended by 23 people consisting of top management, Managers, assistants, staff and Sustainability	

implementers. Management review discusses: In relation to the achievement of the company's annual targets, a management review meeting has been held for each unit.

3.1.2

The company shows the documents related to replanting plans at PT Adei Plantation & Industry, as follows:

Replanting Year	(hectare)
2020	522
2021	1,763
2022	1,728
2023	2,125
2024	1,030

PT SWP

The company shows the documents related to the replanting plan at PT SWP, as follows:

Replanting Year	hectare
2019/2020	114
2020/2021	746
2021/2022	314

KKPA SP2

The verification results of the PT SWP statement area document for the 2020 Period are known that the oldest planting was 15 years old (planting year 2005) and the youngest crop was 14 years old (planting year 2006) so the company did not have a replanting plan.

PT Safari Riau

Based on the results of the study of the area statement documents, it is known that there are no replanting plans for the next 5 years. The oldest planting year was 2004 (16 years) and the youngest planting year was 2014 (6 years)

The company conducts an annual evaluation to determine the achievement of its replanting program. One example is that the 2019/2020 PT SWP replanting program has been implemented according to the target of 114 ha.

Status: Comply

3.2

The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.

3.2.1

During audit ASA 1.1. unit certification has had action plan to improve the performance of each activities such as environmental, social, HCV and best practices as follows:

Aspect Best Management Practice

In terms of best practices, the company innovates with the application of digital technology, including:

- Use of GPS for the P&D and By Product census
- The use of GPS for Vehicle tracking
- CCTV installation at each boundary post
- Change the weather station manually to the automatic weather station
- Automatic data logger imports
- The use of drones for mapping.

Social Aspect

- The contribution to the development of the local economy through the development of plasma and the realization of CSR programs.

Employment and OHS

- The unit of certification has used a permanent worker for all core work activities
- The unit of certification registers all workers who have a salary of less than IDR 5,000,000.00 to *BPJS TK* to get worker incentive assistance due to the Covid-19 pandemic

Environmental and HCV Aspect

- Based on the results of visits to the riparian Muka Pulau river and Telayap river, it was found that the HCV area had been released from the planted area of oil palm during the replating activity.

Sustainability Audit

The company has carried out Sustainability internal audit activities in each unit on:

- NPOM2 on 10 February 2020: 6 non-conformities were identified and 1 OFI was declared closed on 28 February 2020.
- Kebun Nilo Barat 1 on 10 February 2020: 5 non-conformities were identified and 2 OFIs were declared closed on 28 February 2020.
- Kebun Nilo Barat 2 dated February 4, 2020: 7 non-conformities were identified and 3 OFIs were declared closed on February 28, 2020.
- Kebun Nilo Timur on 10 February 2020: 6 non-conformities were identified and 1 OFI was declared closed on 28 February 2020.
- PT SWP on 10 February 2020: 5 non-conformities were identified and 1 OFI was declared closed on 28 February 2020.
- Sungai Buluh KKPA Plantation, KKPA SP1 and KKPA SP2 on 10 February 2020: 5 non-conformities and 1 OFI were identified as closed on 28 February 2020.

3.2.2

As long as the RSPO template has not available, this indicators are not applicable

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

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

Based on the results of field visits and interviews with harvest workers at KNB, KNT, PT SWP, and PT Safari Riau, it is known that workers can explain the harvesting work standards that apply in the company, for example the criteria for harvesting FFB, prohibition of cutting unripe FFB, and the obligation of harvesters to use PPE when doing work.

3.3.2

The company has shown a master list of all SOPs. For example in the Sustainability SOP document published on December 30, 2017 and the SOP KLK PT KLK Agriservindo. Based on the results of document verification in the plantation and factory, the company has a list of procedures for operational activities, these procedures are stored in each management unit, both in the estate and mill.

The company has Sustainability SOP number 30 regarding monitoring for best practices which among other things explains:

- Monitoring of plantation operations is carried out by AARI Agronomists and carried out 1 x 6 months
- Yield improvement program
- Monitoring the quality of FFB production and extracting loose fruit is carried out by MCL through a harvest audit with a frequency of 3 x 1 year

- Monitoring of maintenance efficiency is carried out by MCL through harvest audits with a frequency of 3 x 1 year
- Monitoring of factory performance (oil losses and house keeping) as well as best practices ■ mill controllers / mill advisers make 1 x 2 month visits. MCL conducts visits 3 x 1 year to monitor losses and housekeeping.
- Socialization
- Evaluation of monitoring results
- Corrective action

3.3.3

The company has personnel assigned to internal supervision to monitor consistency in the implementation of procedures in the field, including the Internal Audit Division. Based on the results of interviews with management, it is known that the company conducts an annual evaluation to monitor updates related to procedures where significant matters occur, for example based on the results of internal operational audits, internal audits of ISPO and RSPO. company also monitors and supervises contractors regarding the implementation of SOPs owned by the company. Monitoring and supervision is carried out directly by foremen, assistants and manager.

However, based on the field observation to one of the KKPA SP2 harvesting blocks, it was found that harvesters were assisted by family members and the worker also brought a child. Based on the interview, information was obtained that the person concerned was not the owner of the land but the person assigned to guard and managed the area.

This is reinforced by a statement letter from the owner of the plot that a harvester is a person who is paid by the land owner to care for the lots as well as to harvest. In addition, there is a domicile certificate from the head of neighborhood 18 and the head of community 06, Pelalawan District, which states that the workers who take care of the 146 lots are residents who live on KKPA - SP2 land and work on community lands in partnership.

The results of document verification and confirmation with the head of the Teluk Makmur KUD revealed that the management of the plots is the authority of each farmer with the KUD as the coordinator of the activity. So that the supervision of the land owner is limited to the coordination line. It has been shown that the documentation proves that the company as the supervisor of the KUD socializes the prohibition of bringing children to work, for example on May 12 2020 and August 28, 2020 to the SP2 Farmer Group. The head of the KUD also stated that so far he had informed all members about the prohibition of bringing children to work.

Thus, the company has the opportunity to evaluate the effectiveness of communication with smallholders and ensure that the advice and socialization that has been given, especially regarding the prohibition of bringing children to workplaces, is conveyed and obeyed by smallholder farmers as a form of commitment from RSPO certified FFB suppliers (OFI)

Status: Comply

3.4

A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.

3.4.1

Environmental document.

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

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

PT Safari Riiiau have another EIA document i.e "UKL/UPL" document on 2005, this document was approved by

Environmental Agency of Riau province based on letter no 02/UKL-UPL/2005 on April 2005. Study areas for this EIA document are included Safari Riau estate operational areas for about 2500 ha

Social Impact Assessment document.

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

- Environmental and Social Impact Analysis from Replanting (replanting) Activities of PT Adei Plantation and Industry, approved by the Chairman of PT Ade Plantation and Industry in May 2015. The social impacts managed and monitored are open employment opportunities and public perceptions. Note: Analysis is carried out by the Internal Company (Andria, Sanusi, Hendra Rizki Hadi, and Budiman Simajuntak). Mr. Andria has experience related to AMDAL, RKL / RPL and the environment.
- The SIA document was carried out on November 1 - 10, 2011 and the report was published in January 2012. The SIA was implemented and prepared by AKSENTA.
- AMDAL Document for Oil Palm Plantation and Plantation Activities in Pelalawan District, which was approved by letter from the District Head of Pelalawan No. 660 / Bapedalda / 2006/1327, October 17, 2006, the scope of PT SWP (including KKPA S. Buluh, KKPA SP1 and KKPA SP2). The important social impacts that are managed and monitored are open employment and business opportunities (measures of the impact of the number of local residents absorbed, business opportunities and welfare levels) and the emergence of community perceptions (the measure of impact is community perceptions of plantation activities and company presence, number restless due to estate activities, social turmoil and conflicts with the community).
- The analysis of the social impact of PT Safari Riau is contained in the Environmental Permit in the form of Environmental Management Efforts and Environmental Monitoring (UKL-UPL) Documents for the Development of Oil Palm Plantations in Riau Province Pelalawan District in 2005 with an area of 2,500 ha. The UKL-UPL document has been approved and approved by Bapedalda District. Pelalawan with the Approval Number 02 / UKL-UPL / 2005 dated April 26, 2005.
- For PT Safari Riau, the Company has shown evidence of evaluation of the management plan and monitoring of social impacts and documentation. Recorded questionnaires to find out the social impacts in the villages around PT Safari Riau (Terantang Manuk Village on June 26, 2019, Desa Harapan Jaya, and Sialang Indah on June 27, 2019) which was implemented and showed PT Safari Riau's 2019-2020 social impact management and monitoring plan with internal and external social impact
 - Internal impact issues: housing conditions, school shuttle transportation, wages, working hours, PPE, complaints filing procedures, workers unions, health clinics, domestic waste.
 - External impact issues: *musrenbang*, CSR, legal boundaries, employment, business opportunities, environmental development, health, infrastructure, environmental sustainability, environmental pollution and plasma farmers
- For PT ADEI and PT SWP (ladang mutiara and KKPA Sungai Buluh) are included in the management of social impacts, describe on document management and monitoring program SIA for period October 2019 to September 2020. The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan, which conducted in a participatory manner. The evidence of participatory activities has been shown, such as Record of in-depth Interview and questionnaire method with external stakeholders, such as Telayap Village, Batang Nilo Kecil Village, Palas Village, Kemang Village, Sungai Buluh Village, Sungai Sering Village, Local contractor, workers union, and regency government. And Record of questionnaire method with internal stakeholders, for example, employee and staff.

3.4.2 & 3.4.3

Environmental document.

The environmental management plan for PT ADEI and PT SWP (ladang mutiara and KKPA Sungai Buluh) are included in the Environmental Management Plan & Environmental Monitoring Plan Implementation report for semester II of 2019 such as, air quality and noise; surface water quality, sedimentation and flood potential, land fires, aquatic biota, peat subsidence, and Public health. The PIC for environmental management is sustainability officer which support by each officer in specific site.

Based on verification, EIA implementation report semester 2 year 2019 has already contained adequate environmental

management and monitoring component as listed in the respective EIA, such as air quality and noise; surface water quality, sedimentation and flood potential, land fires, aquatic biota, peat subsidence, and Public health. The PIC for environmental management is a sustainability officer which supports by each officer in a specific site. The company has reported its EIA implementation activities to related agencies, including:

- Nilo POM 2 1: report on the implementation of RKL & RPL for the 2nd semester of 2019 to the Pelalawan Regency Environmental Agency, the Indonesian Ministry of Environment, and the Riau Province Environmental Service on February 20, 2020.
- PT Safari Riau: report on the implementation of UKL & UPL, for example for the 2nd semester of 2019 (July-December) to the Environmental Office of the District. Pelalawan and Prov. Riau, the Sumatra Ecoregion Management Center and the Indonesian Ministry of Environment and Forestry on February 20, 2020
- PT SWP: report on the implementation of RKL and RPL for the period July - December 2019 to the Environmental Office of Pelalawan Regency on February 21, 2020

Based on the results of monitoring, there was no found environmental pollution or negative impacts due to company operations. and there is no additional scope of company operations so that the environmental impact aspects remain the same. Document review and interview with management shown that document, certificate holder conduct land preparation for replanting activities. Regarding to this, on 2015 PT. ADEI established environmental management and monitoring plan listed on monitoring/management plan for replanting documents. Furthermore, action plan for replanting activities management has been implemented and established for examples related to surface water management, soil erosion, and OHS.

Social Impact Assessment document.

For PT Safari Riau, the Company has shown evidence of evaluation of the management plan and monitoring of social impacts and documentation. Recorded questionnaires to find out the social impacts in the villages around PT Safari Riau (Terantang Manuk Village on June 26, 2019, Desa Harapan Jaya, and Sialang Indah on June 27, 2019) which was implemented and showed PT Safari Riau's 2019-2020 social impact management and monitoring plan with internal and external social impact

- Internal impact issues: housing conditions, school shuttle transportation, wages, working hours, PPE, complaints filing procedures, workers unions, health clinics, domestic waste.
- External impact issues: *Musrenbang*, CSR, legal boundaries, employment, business opportunities, environmental development, health, infrastructure, environmental sustainability, environmental pollution and Smallholders scheme.

For PT ADEI and PT SWP (ladang mutiara and KKPA Sungai Buluh) are included in the management of social impacts, describe on document management and monitoring program SIA for period October 2019 to September 2020. The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan, which conducted in a participatory manner. The evidence of participatory activities has been shown, such as Record of in-depth Interview and questionnaire method with external stakeholders, such as Telayap Village, Batang Nilo Kecil Village, Palas Village, Kemang Village, Sungai Buluh Village, Sungai Sering Village, Local contractor, workers union, and regency government. And Record of questionnaire method with internal stakeholders, for example, employee and staff.

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan on January 2019, which conducted in a participatory manner. The SIA Management and Monitoring Implementation 2019 consist of:

External stakeholder

- Legal boundaries and land conflict.
- Access to information and complaint responses.
- Increasing the community's economy and business opportunities.
- Monitoring land fire by satellites and collaboration with local Community.
- CSR program.
- Absorption of labor from surrounding community.

- Deliberation for CSR programs.
- Management land conflict.
- Land occupation.
- Village Deliberation and Public health
- Replanting, local contractor business
- Plasma.
- Industrial relations disputes to involve government.

Internal stakeholder

- Housing conditions
- The education facility
- Working hours, wages, overtime wages, PPE, complaints procedures, trade unions, electric & clean water, garbage, clinics, *BPJS* - cards, piece workers', contractors' employees, supplier / contractor code of ethics, work tools and scholarship.
- Submission of complaints and aspirations worker unions.

Based on the results of interviews with the people of Batang Nilo Kecil, Telayap and Kemang Villages, it is known that the company has helped in the construction of facilities with CSR programs from companies and infrastructure in the village and has also formed plasma farmers for the surrounding community. For the ongoing replating the company has involved local contractors in these activities.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1 & 3.5.2

The Human Resources Management System that is owned by the company can be seen from the following matters:

• Employee Recruitment Procedure

Explained in the recruitment system (Employee Recruitment) company policy KLK Agriservindo No. KLKA / CP-HR / 001 and was made on April 18, 2011 and approved by the President Director. the procedures include basic rules for hiring employees up to the minimum age of workers that is 18 years

Besides that, in the Collective Labour Agreement of PT Adei Plantation & Industry in the period 2019-2021 chapter II article 8 concerning work relations also explains the process of hiring workers such as the employment of workers is based on the needs of the company, a trial period of 3 months for prospective permanent workers, acceptance and assignment of the basis for the company's consideration until termination of employment in the trial period

There are examples of employee recruitment that are in accordance with company regulations, for example:

- Work Agreement Number AD-KN-KNB-1 / Po783 / VII / 2019 dated January 1, 2019 between the company and prospective worker with initial AL as prospective permanent workers for harvesting positions. In the letter explained that the person will undergo a trial period of three months and if the results of the evaluation of satisfactory performance will be appointed as permanent employees. The results of verification of the list of employees revealed that the worker had been appointed as a permanent employee
- Temporary Work Agreement between the company and workers initial JRKM dated December 1, 2019 for a period of 2 years (01 December 2019 to 30 November 2021) for fertilizer and planting of Legume Cover Crops. The employment agreement has already elaborated regarding workers' rights and obligations.

contract workers have also been registered at the Pelalawan Regency Manpower Office for example in accordance with Evidence Number 560 / DTK / PK / 2020/01 dated 18 March 2020 for 41 people of PT Adei P&I Nilo *PKWT* workers.

Payroll System and Incentives

Among them are arranged in the following documents:

- Collective Labour Agreement period 2019 - 2021 article 10 regarding remuneration for dependents and positions: Wages are set at the time of employment, the increase in wages based on years of service ranges from Rp. 10,000 to Rp. 100,000 (working period of 1 - 40 years); *KHT* wages are adjusted to the applicable *UMSP*; *UMSP* includes

the value of rice supply; if absent then every absenteeism will be propagated 1/25 of one month's wage.

- Wage Structure and Scale by the company

In accordance with the memo from the R&D director of PT Adei Plantation & Industry and PT Steelindo Wahana Perkasa on March 19, 2020 which among them stated:

- The salary for permanent / monthly employees in accordance with *UMSP* Riau in 2020 is Rp. 3,020,000.00 including natura with the value of rice natura for own workers is 15 kg or Rp. 142,500 / month
- *PBT* Salary revision for 0 - 30 years work period ranges from Rp 3,049,000.00 to Rp 3,684,400 according to the length of service
- The wage of a permanent daily worker with a service period of 0-1 years is Rp 3,020,000.00. Whereas for work periods > 1 year to 40 years, it ranges from Rp. 3,030,000.00 to Rp. 3,120,000.00

Career Path and Achievement Assessment

Explained in circular No. T.T / 1/2014 concerning the standard salary and assessment system signed by the Development Director on January 21, 2014. the procedures include explaining the promotion requirements and performance appraisal period, which is once a year and is confidential

Furthermore, in the *PKB* period 2019 - 2021 Article 10 regarding work relationship point C regarding position also states that if every worker fulfills the requirements in accordance with the assessment and needs of the company, his status is promoted

There is an example of an OJT (On Job Training) employee appraisal, for example the initial DW employee for harvest work on 01 August 2019 with a training period in August - October 2019. The evaluation results state that the worker can be appointed as an employee

Collective Labour Agreement/Company Regulation

- In accordance with the Decree of the Head of Pelalawan Regency Manpower Office Number: KPTS.560 / DTK-HS / PKB / 2019/01 concerning the registration of the Collective Labor Agreement between PT Adei Plantation & Industry Nilo Complex with PUK F.SPPP SPSI; SBSI PK 1992; & PK FKUI SBSI dated 29 May 2019 with a period of 27 May 2019 to 26 May 2021
- In accordance with the Decree of the Head of the Pelalawan Regency Manpower Office Number: KPTS.560 / DTK-HS / PP / 2019/28 regarding the registration of PT SWP's company regulations and endorsed by the Head of the Pelalawan Regency Manpower Office dated May 29, 2019. The company regulations apply from July 1, 2019 to June 30, 2020
- In accordance with the Decree of the Head of the Pelalawan Regency Manpower Office Number: KPTS.560 / DTK-HS / PP / 2019/28 concerning the registration of PT SWP company regulations and legalized by the Head of the Pelalawan Regency Manpower Office on May 29, 2019. The company regulations apply from 01 July 2019 to 30 June 2020

In the *PKB* and Company Regulation, among others, had discussed the rights and obligations of employees, union recognition, remuneration, promotion, overtime to sanctions and termination of employment. Based on the interviews with worker representatives, for example in block 30 division 8 KNT and block 49 division 3 KNB and information from labour unions it is known that *PKB* (Collective Labour Agreement) can be accessed by worker representatives. In addition, the preparation of its agreement also involves workers' representatives.

Status: Comply

3.6

An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.

3.6.1

The company has an Occupational Health and Safety policy which was ratified on August 8, 2020. The contents of the policy include the company's commitment to comply with all laws and regulations on OHS, conduct risk studies, and conduct evaluations as a basis for continuous improvement.

In addition, there are also OHS procedures, one of which is explained in SOP 24 on Emergency Response (August 10, 2017). Furthermore, the certification unit also has a HIRAC document prepared by the PT Adei P&I team as well as PT

Safari Riau and PT SWP which was approved by the management leader on February 28, 2019 which informs the identification of hazards (work activities, sources of danger, risks / impacts); risk analysis (current risk control, frequency, severity / consequence, risk level), and risk control (actions to reduce risk and responsibility (date / status).

The document has discussed hazard identification, risk analysis, and risk control in every factory and garden operational activities such as crop maintenance (pesticide spraying including P&D mechanization spraying, fertilizer application, empty fruit bunch application, pruning, etc.), harvesting activities (including in areas near the flow electricity), transportation of FFB, Fire tower, and General Activities (warehouses, workshops, employee transportation, employee housing, garbage disposal, generator sets & water pumps, and security personnel).

The certification unit shows the program and realization of OSH implementation including the following:

- OHS program includes: Training - OHS technical training, environment, and Manpower; Use of PPE (PPE List, Record of PPE Expenditure, Record of PPE Violation); OHS Committee meetings every month; Medical Checkup ; Emergency response; Provision of First Aid Box; Provision of Fire Poison; Internal OHS Audit; Risk analysis; Work accident recap and evaluation
- The application of OHS by the certification unit for example is shown by
 - OHS Socialization and Training: Routine socialization regarding OHS application that is delivered during the morning briefing of employees at least once a month; Examination of the completeness of PPE before work for factory and mill employees carried out by each foreman; Warning regarding OHS, such as the obligation to use PPE, type of PPE, and hazard risk analysis installed in strategic areas
 - Medical Checkup for Employee
 - PT Safari Riau :** It was held in September 2019 and was attended by 87 employees
 - PT Adei Plantation & Industry :**
 - KNB 1 : 77 employees participated
 - KNB 2 : 127 employees participated
 - KNT-1 : 131 employees participated
 - KNT-2 : 40 employees participated
 - NPOM : 82 participants participated

The medical check-up itself is carried out once a year between January - September in accordance with the program prepared by the OHS Committee team. Health checks include physical examinations (blood pressure, pulse, breathing, temperature, *ENT*, etc.) as well as laboratory tests (routine blood, urine, CHE, and hemoglobin). For workers with high noise areas such as in the factory audiometry checks are performed. MCU participants are employees who are identified as having high work risks such as those who work with toxic chemicals, work in noise areas, and work in handling hazardous waste.

Based on the conclusion of the MCU it is known that in the 2019 employee health examination all participants were declared fit to work

Reporting

- OHS Committee report Estate and Mills (Nilo Complex) report according to the cover letter number AD.KN/K3/2020/2.03 dated 25 February 2020 to the Riau Province Manpower and Transmigration Office
- OHS Committee report of PT SWP with cover letter NO.AD/M/EX1/2020 to the Riau Province Manpower and Transmigration Office

However based on the explanation from the management representative, it is known that the SOP of smallholder is the main estate SOP. In SOP 18 dated August 10, 2017 regarding the Safety of Use and Storage of chemicals including Hydrocarbons, among others, it states that all PPE is cleaned and stored in a special warehouse every time it is used (not allowed to go home)

During a field visit to the KUD Teluk Makmur office, it was discovered that the PPE spraying storage area was still under construction so that the PPE storage was still located in the main estate. Thus the company has the opportunity to continue to provide assistance and support for KUD Teluk Makmur KKPA-SP2 to be able to realize and provide chemical storage facilities including PPE storage and spraying equipment storage. **(OFI)**

3.6.2

Monitoring the effectiveness of the OHS plan is described in the OHS Committee report which is routinely sent by the certification unit to the authorized official every quarter. The discussion shown, for example, is contained in the OHS Committee report for the first quarter of 2020. The main points of discussion include evaluation of work accidents, OHS Risk Assessment and Use of PPE, Discipline in using PPE, Recapitulation of work accidents, with the conclusion that management is committed to improving discipline in the application of OHS. During the first quarter there were no accidents with fatality status. Occupational accidents are included in the minor category with lost work days for each work accident case of less than two days and handling of accidents is carried out at the company's health facilities. For this reason, regular monitoring and socialization of safe working methods will be carried out

Status: comply

3.7

All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.

3.7.1 & 3.7.2

• Worker Training Program

The company has training programs for 2019 - 2020 for each unit. The program is based on identifying training needs that have been created by companies in mill and estate. The following are the programs that have been prepared by the company, including:

Mill Training Program

- OHS socialization
- Operator training at each station (Belt press, Sterilizer, Grading, Engine room, EFB Press, Kernel, Boilers etc.)
- Laboratory Procedure Training
- Limited Space Training
- PPE Usage Training
- Mill General Training
- Wage Payment System SocializationBer
- Fire Emergency Response Simulation
- Supply Chain Training
- MSDS training

Estate Training Program (KNT and KNB)

- Management Team Training
- Nozzle Calibration Training / Spray Training
- PPE Usage Training
- Harvesting Training
- Manuring Training
- Fire Emergency Response Training
- First aid training
- IPM Training
- Training on the use of Fire Extinguisher
- Security training
- GPS training

Socialization and training plan for contractor :

- Sustainability Policies of KLK Group
- OHS
- No Child worker policy
- Management of Hazardous waste

In the record of the realization of the training, it was found out that the contractor had been involved, especially for the OHS aspect and the socialization of the KLK group policy on RSPO aspects such as compliance with labor aspects, environmental aspects, to the age limit policy of workers.

The realization of the training program includes:

- PT Safari Riau:
 - IPM training on 12 January 2020 attended by 12 participants
 - Fertilizing, spraying, and chemical handling training on 15 February 2020 was attended by 9 participants
 - Fire emergency response training on 10 January 2020 attended by 25 participants
- PT Adei Plantation & Industry
NPOM-2:
 - MSDS training on 27 March 2020 which was attended by 7 participants
 - Training on loading ramp procedures on March 19, 2020 which was attended by 5 participants
 - The supply chain training on 15 February 2020 was attended by 9 participants
- Estate Nilo Complex
 - The KNB-2 IPM training on January 12, 2020 was attended by 12 participants
 - Fertilization, spray, and chemical handling training KNB-1 on 15 February 2020 was attended by 9 participants
 - KNB-1 fire emergency response training on 10 January 2020 attended by 25 participants
 - PT SWP: First Aid training on 15 February 2020 which was attended by 20 participants
 - KKPA: Fertilizing and harvesting technical training participated by 9 workers on January 6, 2020

Based on the interviews with representatives of smallholder cooperative, workers and contractors, it is known that so far, routine socialization and training have been provided by the company

3.7.3

The latest training conducted in 12 January 2020 that attended by PIC of each SCCS aspects, as well as socialization for contractors. During the audit, the Staff and operators can demonstrate the understanding of SCCS requirement and critical point, for example security and weighbridge operator were able to demonstrate how to verify the FFB from certified and uncertified source and marking by certified stamp.

Status: comply

3.8

Supply Chain Requirements for Mills

3.8.1; 3.8.2

Until this assessment, facility implemented two model of SCCS Module D (Identity Preserved) and Module E (Mass Balance). However based on documents verifications related FFB receiving in last 12 months before audit (June 2019 – May 2020) it was known if all entire FFB is from RSPO certified estate

3.8.3

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

Product	Estimation of Certified Product (MT)		Actual Production (August 2019 to July 2020) (MT)	
	IP	MB	IP	MB
FFB	247,229	16,684	123,899.89	-
CPO	48,356	3,432	25,961.74	-
PK	11,588	798	6,210.84	-

**start date of license are from 28 May 2019 and valid until 13 November 2020*

**During RC to ASA 1-1 there is an extension volume CPO and PK due to because there are the increase in production was due to the addition of supplier bases (already RSPO certified) and extension of the license period for 6 months*

Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during this assessment (ASA 1.1), as well as the estimates of certified production for the next license period has been set by the Mill.

3.8.4

Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd has registered in RSPO membership 1-0014-04-000-00 since 16 May 2014.

Nilo Palm Oil Mill 2 has been registered in IT platform palm trace RSPO <https://palmtree.rspo.org/web/rspo/member->

[directory](#) which information as follows:

- Member Name: Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry
- Core Product: Palm Oil
- Member ID: RSPO_PO1000001418
- License ID; CB86133

Facility can present their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was some RSPO certified product sold. All transaction of certified product has been registering in palm trace, For period August 2019 to July 2020 there are 5,997.55 MT CSPK and 15,473.37 MT CSPO sold as physical.

3.8.5

The unit of certification can present procedure of SCCS IP/SG implementation are describe in SOP 31 revision 4 dated 02 May 2020. In the procedure described all aspect that required in SSCS model are FFB Received, Documentation of CSPO and CSPK Product, responsible persons / PIC, training, production and storage, selling and dispatch, the handling of non-conformity product and reporting. In the procedure also informing the changing of SCCS Model. In the SOP explained that the application of IP if the FFB received is 100% from certified sources, in case of found from an uncertified source then will be downgraded to MB. Official declaration from mill manager to all CCP should be made prior of upgrading from MB to IP. It is explained in the SOP that the receipt of FFB at security post and weighbridge became a critical points to ensure that al FFB received were from certified sources, checks through seals, DO, and approved supplier lists. In storage, special bulk silos for the IP kernel and special storage for CPO IP with 100% purity have been provided. In the process of upgrading from MB to IP, all FFB, CPO, and PK produced as MB have been completely processed and emptied, flushing process are mixed to storage tanks and MB kernel bunkers. The flushing process will be carried out using a 100% FFB certified in accordance with the calculation of volume conversion.

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

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

During the audit, the Staff and operators can demonstrate the understanding of SCCS requirement and critical point, for example security and weighbridge operator were able to demonstrate how to verify the FFB from certified and uncertified source and marking by certified stamp.

3.8.6

The procedure for internal audit mentioned in the SOP SCCS IP/SG implementation on clausal 4 regarding management responsibility. Based on that procedure internal audit carry out minimum one times a year. The last internal audit carries out on 11 – 13 February 2020. Based on internal audit there are 2 non conformity regarding work agreement that has been expired and contractor evaluation. All non-conformity has been following up by the unit of certification prior the audit.

3.8.7

- i. **The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.**

The mill has a record amount of FFB tonnage as follows:

Month	FFB (MT)
-------	----------

	RSPO Certified	Non-Certified	Total
Aug '19	7,949.63	-	7,949.63
Sep '19	7,754.44	-	7,754.44
Oct '19	7,711.67	-	7,711.67
Nov '19	7,054.95	-	7,054.95
Dec '19	6,090.28	-	6,090.28
Jan '20	7,186.41	-	7,186.41
Feb '20	9,382.48	-	9,382.48
Mar '20	10,558.28	-	10,558.28
Apr '20	13,791.64	-	13,791.64
May '20	11,555.65	-	11,555.65
Jun '20	15,652.63	-	15,652.63
Jul '20	19,211.83	-	19,211.83
Total	123,899.89	-	123,899.89

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

In the SCCS Procedure mentioned if there is a projected overproduction the mill shall inform to CB immediately. During this license period the unit of certification has been several times contact to CB to request additional volume of CSPO and CSPK as described in the following table:

Date	Additional Volume (MT)		
	FFB	CSPO	CSPK
28 May 2020	69,681	9,847	2,451
14 August 2020	87,084	19059	4,614

*the additional volume request is for IP Module only.

iii. The mill shall have a mechanism in place for handling non-conforming oil palm products and/or documents
mechanism for handling non-conforming oil palm products and/or documents mentioned in the document's SOP SCCS IP/SG implementation on clausal 4 regarding management responsibility who described if

- Marketing division (Marketing) is responsible for issue sales contracts, approve shipments and make claims for non-conformity product and receive payment invoices,
- Mandau Central Lab is responsible for internal sustainability audit conducted to control nonconformities that may occur in the implementation of SOPs and management systems that are determined by palm oil mills (POM)

3.8.8

Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliation with the FFB acceptance record, monthly sale production and annual recapitulation.

Facility can present their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was some RSPO certified product sold. All transaction of certified product has been registering in palm trace, For period August 2019 to July 2020 there are 5,997.55 MT CSPK and 15,473.37 MT CSPO sold as physical.

3.8.9

In accordance with the third parties contract regarding to physical handling, the mill has been agreed to implementing supply chain standard. The third party's worker has been socialized regarding on this. To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules, for example work agreement No 03/ADEC-DM BERSAMA/ KCP-OA/II/2020 mentioned if all contractors should comply all sustainability requirements.

Nilo POM 2 using contractor for transporting the CPO and Palm Kernel. Based on field observation and interview with security in mill the efforts made by the company to ensure that the independent third party / contractors complies with the requirements of the RSPO Supply Chain Certification Standard as follows:

- security and the dispatch foreman must verify the transport tank before filling in, ensuring that all tank contents have been removed and the tank is completely empty
- after filling it is done sealing the upper manhole and bottom valve and each existing outlet
- security must ensure seals and record transportation data in accordance with existing procedures

3.8.10; 3.8.11

The mill has been recording the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products

- PT Dongan Yakin Bersama for CPO and Kernel
- PT Dalan Maju Bersama for CPO and Kernel
- PT Saman Indo Jaya for Kernel.

Based on review list of transporters verified on Recertification until this assessment, there is no new contractor added. There are 3 outsourcers which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor

3.8.12; 3.8.15

Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 10 year. All of record and report kept in mill archive room (room number 6). During audit the unit of certification can present the documents related SCCS for period 2018 for example weighbridge slip, mass balance reports and etc.

NPOM 2 has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly presented in the Table belows:

CSPO

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)		
	Cert	Non-Cert		RSPO	Other scheme	Non Cert
Aug '19	1,766.08	-	1,766.08	-	931.98	-
Sep '19	1,652.76	-	1,652.76	-	407.00	1,403.18
Oct '19	1,574.64	-	1,574.64	-	150.56	381.67
Nov '19	1,455.33	-	1,455.33	-	1,003.70	820.11
Dec '19	1,248.58	-	1,248.58	-	1,434.83	408.27
Jan '20	1,523.55	-	1,523.55	493.99	1,048.21	88.36
Feb '20	2,017.37	-	2,017.37	2,276.71	-	-
Mar '20	2,322.44	-	2,322.44	2,182.89	-	-
Apr '20	2,881.98	-	2,881.98	3,034.37	-	-
May '20	2,357.55	-	2,357.55	2,207.74	-	-
Jun '20	3,238.66	-	3,238.66	1,967.16	1,000.00	-
Jul '20	3,922.80	-	3,922.80	3,310.51	-	-
Total	25,961.74	-	25,961.74	15,473.37	5,976.28	3,101.59

CSPK

Period	PK production (MT)		Total	Cert PK Dispatch (MT)		
	Cert	Non Cert		RSPO	Other scheme	Non Cert
Aug '19	415.87	-	415.87	257.13	-	-
Sep '19	423.93	-	423.93	442.43	-	-
Oct '19	411.43	-	411.43	438.64	-	-
Nov '19	349.05	-	349.05	465.76	-	-
Dec '19	306.23	-	306.23	253.23	-	-
Jan '20	364.84	-	364.84	352.68	-	-
Feb '20	479.44	-	479.44	437.27	-	-
Mar '20	528.17	-	528.17	569.53	-	-

Apr '20	671.12	-	671.12	643.23	-	-
May'20	566.20	-	566.20	539.45	-	-
Jun'20	761.97	-	761.97	698.49	-	-
Jul'20	932.59	-	932.59	899.71	-	-
Total	6,210.84	-	6,210.84	5,997.55	-	-

3.8.13; 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly, and yearly production.

3.8.16

Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was some RSPO certified product sold. All certified product (CPO/PK) sold as other scheme (ISCC) and conventionally.

Documents verifications , for period July August – July 2020 there are 5,997.55 MT CSPK and 15,473.37 MT CSPO sold as physical under RSPO Scheme, 5,976.28 MT under other scheme and 3,101.59 MT as conventional. The unit of certification can present the documents related the minimum information for RSPO certified products is made available and claim related products is no longer than 3 months.

For CSPO that sold under ISCC or conventional the unit of certification can present the evidence the product has been remove form palm trace for example in

Dated	Volume
27/09/19	2,367.66
27/09/19	2,529.85
16/10/19	151.38
12/02/20	3,478.55
Total	8,527.44

3.8.17

The CH never using RSPO symbol or trademarks. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement. The claim has been referred to RSPO Rules on Market Communications and Claims

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1

The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.

4.1.1

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

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

The company also shows evidence of socialization activities related to sustainability policies which also explain the code of ethics and human rights to the surrounding community which was carried out on December 21, 2019 followed by representatives of SP2, Harapan Jaya, Telayap, Batang Nilo Kecil, Palas and Kemang Villages

<p>4.1.2 Based on the results of interviews with local contractors in the field of plant maintenance for oil palm in the Immature area, it was found that they understood the regulations that apply to the company and there was no intimidation from the company.</p>
<p>Status: Comply</p>
<p>4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>
<p>4.2.1 The Certification Unit has SOP for Requesting and Providing Information as well as Communication and Submission of Complaints which were approved by the Director on August 10, 2017. This SOP describes the types of complaints submitted, for example: terms and conditions of work, OHS, violence and discrimination, harassment and abuse of power. This procedure is used to handle reporting and complaints from internal and external stakeholders</p> <p>These complaints can be channeled / conveyed / recorded through the media or the appointed PIC, namely:</p> <ul style="list-style-type: none"> • Complaint logbook • Head of Neighborhood / Worker Supervision • Suggestion Box • Gender Committee • Labor union • Hotline / Email <p>The procedure states that the period for resolving complaints is 14 days from the time the complaint is received. Information regarding receipt of complaints must be conveyed to the complainant. In addition, the procedure also regulates confidentiality and legal protection for the reporter (whistleblower to settlement of the complaint. If the reporting party / complaint is not satisfied and an agreement cannot be reached, the resolution of the reporting / complaint case can be continued to the mediator and settlement through a third party (tripartite). The officers who are responsible for documenting complaints and complaints are the manager, assistant and foreman</p> <p>4.2.2; 4.2.3; 4.2.4 Based on information obtained from the external complaints log book, up to the ASA-1 remote audit was carried out there were no complaints. As explained by the management representative, a mutually agreed system for handling complaints will be established when complaints are found. The procedure for making reference is SOP SOP Request for and Provision of Information, Communication and Submission of Complaints with the revised date of August 10, 2017 which was approved by the Research & Development Director on December 30, 2017.</p> <p>The procedure includes explaining the mechanism for requesting information including handling complaints. It was also explained that the response period was 14 days. The officer responsible for responding to stakeholders is the Manager / Assistant / Head of Administration / PR</p> <p>Based on the interviews with worker representatives, for example at block 49 KNB2, block 52 KNT2, and the representatives of the communities of Teluk Makmur and Batang Nilo Kecil Village, it is known that routine socialization of these procedures has been carried out by the company's public relations. Based on the interviews with worker representatives during field visits to KNB, KNT, Safari Riau and Ladang Mutiara Estate, it is known that during the 2020 period, they have never submitted complaints or grievance to the company</p>
<p>Status: Comply</p>
<p>4.3 The unit of certification contributes to local sustainable development as agreed by local communities.</p>
<p>4.3.1 Companies can show programs to improve the quality of life and the environment that are beneficial in 2020-2021 which are listed in the Corporate Social Responsibility (CSR) program. These programs are arranged according to the identification of the needs of the surrounding community. Identification of the needs of the surrounding community was carried out by attending the meeting (<i>Musrenbang</i>) of Telayap Village, Pelalawan District and Pangkalan Kuras District</p>

in 2020

The existence of the company has had a very positive impact on the surrounding community, especially regarding the opening of road access, employment, and the realization of plasma plantations. So far, the company has also routinely provided social assistance such as qurban animals, nutritional assistance during the COVID-19 pandemic, construction of sports facilities, and construction of houses of worship. The company also formed an integrated team with the village community to deal with and prevent land and forest fires.

Status: Comply

4.4

Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).

4.4.1.

The scope of certification are 18,092.53 Ha consist of Nilo POM 2 with FFB supply from Nilo Timur Estate and Nilo Barat Estate (PT Adei Plantation & Industry), Ladang Mutiara Estate, KKPA Sungai Buluh, KKPA SP 1 and KKPA SP 2 (PT Steelindo Wahana Perkasa), Safari Riau Estate (PT Safari Riau). The scope of certification has had land tenure in form of:

- Cultivation right title (HGU) certificate No. 108 on 21 November 2018 on behalf of PT Steelindo Wahana Perkasa for an area of 1,363.53 Ha.
- Cultivation right title (HGU) certificate No. 9 on 26 August 2005 on behalf of PT Safari Riau for an area of 2,500 Ha.
- Cultivation right title (HGU) certificate No 1 on 25 January 1994 on behalf of PT Adei Plantation & Industry for an area of 12,860 Ha. From the permit area there are 231 Ha is excluded from certification scope because the area has been given to smallholders of Telayap
- Free hold title of smallholders for an area of 1,600 Ha consist of 1527 Ha planted area and 60 Ha infrastructure.

4.4.2; 4.4.3, 4.4.4 and 4.4.5

The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in *"SOP No 5 about Land Acquisition"*, who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use. Document review, field observations and interview with stakeholders it was known if the CH has not to carried out land expansion and land compensation since the last audit.

CH has made compensation for the area it manages. The compensation process was first carried out in 1991 by PT Adei Crumb Rubber Factory (old management). After that, in the 2000 PT Adei Plantation & Industry (new management) returned the compensation process to landowners in the permit area. As for the PT Safari Riau area, previously it has been managed by other companies that have a Timber Utilization permit. The compensation process was carried out starting in 2004. Land compensation document has been completed with agreement and map. For PT Steelindo Wahana Perkasa, and smallholders he entire area of originated from transmigration area and is a reserved area from the Regent whose designation is the development of smallholder's farms, and has received a statement letter from the customary lead. All areas of smallholders have ownership letters (per plot) in the form of free hold title

According to information gathered during stakeholder consultation with stakeholders which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL)

CH has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

Status: Comply

4.5

No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8

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Status: Comply

4.6

Any negotiations concerning compensation for loss of legal, customary or user 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.

4.6.1 to 4.6.4

The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in "SOP No 5 about Land Acquisition", who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use. Document review, field observations and interview with stakeholders it was known if the CH has not to carried out land expansion and land compensation since the last audit.

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Status: Comply

4.7

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 FPIC and negotiated agreements.

4.7.1; 4.7.2; 4.7.3

Will The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in "SOP No 5 about Land Acquisition", who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use. Document review, field observations and interview with stakeholders it was known if the CH has not to carried out land

expansion and land compensation since the last audit.

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Status: Comply

4.8

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.

4.8.1; 4.8.2; 4.8.3

As a guidance for land conflict settlement the company has had SOP *Prosedur Penyelesaian Sengketa Lahan*/ land dispute settlement (SOP No 6 Dated 10 August 2017) that describes the mechanism of settlement of border, land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

Based on document verifications, interviews with management and external stakeholders it was known there is a grievance from the community (Batang Nilo Kecil Village) to PT Adei Plantation and Industry regarding the presence of sialang tree forest covering 9.6 Ha. This grievance appears in December 2018, where the reason the community make claims are based on ownership letter no 021/SK/BNK/1986 the year of 1986 from village head Batang Nilo Kecil, where after field observation it was known if:

- The land area does not match what is stated in the letter
- It was found there are damage to plants around the sialang tree forest
- The cultivated land has not been compensate

Next through letter No 015/LSM-PR/PIIwn/VIII/2019 dated 07 August 2020 Regional Head Council Riau Peduli NGO as representative from the community inquire to the company regarding to clarify related the occupying an area of 9.6 ha along with sialang tree on it . In this regard, the company clarified by presenting evidence of land ownership, documentation of compensation and a statement that the area had been compensated and that there was no land owner from the previous village head, through letter No ADEI-KN/VIII/2019/10, dated 15 August 2019

Related to these demands, there have been various meetings mediated by the Local Government Pelalawan. regarding this case, PT Adei Nilo plantation and Industry has reported the case to the Regent of Pelalawan Cq Head of the Government and Autonomy Section of the Regional Secretariat on 16 December, 2019. the field observation and inspection has been done by both party with involved government agencies. Document review it was known if the last meeting carried out in 24 June 2020, but until ASA 1.2 conducted there is no agreement has been reached.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.

5.1.1; 5.1.2; 5.1.3; 5.1.4; 5.1.5; 5.1.6

The unit of certification has a plasma (scheme smallholder) that have agreement with PT SWP as well as cooperating with many local contractors/businesses. Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly

available. The price of FFB determined by following the Provincial price issued by the Plantation Agency of Riau. The price of FFB can be accessed directly by the public through the website or through circulars letter that sent by Plantations agency Riau all smallholders and partner companies. All cooperative members can also access price information posted on the cooperative office notice board or ask the assistant partner directly.

The pricing mechanism above has been explained and regulated in a partnership agreement with scheme smallholders. In the agreement, there is a clause that regulates that the FFB pricing follows the price set by the government. In addition, in MoU, the purchase of FFB from the smallholders' scheme is based on the price that is determined by the plantation agency.

Based on documents verifications revealed that the payment of FFB for smallholders' scheme was in accordance with the FFB prices set by the Plantation Agency of Riau Province pricing team. An example of payment verified by the auditor is invoice and proof of payment in May and June 2020 where the calculation of payment is in accordance with the amount of FFB production of farmers and the price set. Furthermore, into the local contractor the company can be presented that the payment is in accordance with the agreed agreement, which is 15 working days after submitting the payment request, for example in for work agreement no 029/DSN/PKS4/2019, payment is in accordance with work agreement.

Document review of payment of plasma and contractors, as well as interview with Head of Cooperative and the contractors is known that Based on the review of work agreements, interviews with Head of Cooperatives as well as local contractors, it is known that the work agreement has explained the pricing of each work unit. The parties have understood the provisions of work contracts, the contracts have been made fairly, transparently and legally. Regarding the payment based on interview are paid according to the provisions and on time.

5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in October 2019 and valid until October 2020

5.1.8

Based on the results of interviews with management, known that Plasma Legality has a certificate of ownership status (SHM). For KKPA Sungai Buluh, KKPA SP 1 and KKPA SP2 has certified RSPO.

5.1.9

Based on information obtained from the external complaints log book, up to the ASA-1 remote audit was carried out there were no complaints. As explained by the management representative, a mutually agreed system for handling complaints will be established when complaints are found. The procedure for making reference is SOP SOP Request for and Provision of Information, Communication and Submission of Complaints with the revised date of August 10, 2017 which was approved by the Research & Development Director on December 30, 2017. The procedure includes explaining the mechanism for requesting information including handling complaints. It was also explained that the response period was 14 days. The officer responsible for responding to stakeholders is the Manager / Assistant / Head of Administration / PR

Based on the results of interviews with the plasma plantations at SP 2, it was found that the farmers understood the mechanism if there was a complaint with the company and based on the results of a review of the letter books received by the company, there were no complaints from the scheme smallholder and the surrounding community.

Status: Comply

5.2

The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.

5.2.1,

Based on the results of interviews with management, known that smallholders' scheme Legality has a certificate of ownership status (SHM). For KKPA Sungai Buluh, KKPA SP 1 and KKPA SP2 has certified RSPO.

5.2.2,

The contribution to improving the level of livelihood as a buying Plasma FFB according to Plantation agency prices as, the pricing mechanism above has been explained and regulated in a partnership agreement with scheme smallholders. In the agreement, there is a clause that regulates that the FFB pricing follows the price set by the government. In addition, in MoU, the purchase of FFB from the smallholders' scheme is based on the price that is determined by the plantation agency.

The company has training programs for scheme smallholder, for example the Teluk Makmur Cooperative Training Program in 2020. The program explains the types of training for scheme smallholder, for example water management training, spraying, fertilization, harvesting, pruning and costing book training.

5.2.3,

Based on the results of document review and interviews with management, it was found that the company had carried out traceability activities for FFB suppliers and from these results it was found that KKPA Sungai Buluh, KKPA SP 1 and KKPA SP2 were not in the status of a forest area. Based on the results of interviews with management, known that smallholders' scheme Legality has a certificate of ownership status (SHM).

5.2.4

Several trainings have been carried out in 2020 such as water management training on January 1, 2020, spraying training February 3, 2020 and Harvest Training April 1 2020. There is evidence of training implementation in the form of minutes, attendance and photo documentation of activities.

5.2.5

The development of the smallholder scheme has been reported in a plantation business development report document which is regularly reported to the Pelalawan Regency Plantation Office

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

The company has a policy on equal opportunities and treatment in job opportunities that was set by the Managing Director on October 1, 2011. This policy explains that the company provides equal treatment regardless of ethnicity, religion, racial, nationality, gender, sexual orientation, membership union, political affiliation, or age.

Based on the list of employees provided by the company, it is known that the composition of the workers comes from various ethnic groups, religions and racial. Furthermore, based on the interviews with representatives of Teluk Makmur and Batang Nilo Kecil Villages, it is known that the certification unit also accepts local villagers to work according to company needs and their competencies. Interviews with workers representatives also provided information that every year the company conducts an employee performance appraisal as a basis for promotion.

Thus, it can be concluded that the company has implemented a policy of equal opportunities and treatment to get job opportunities.

6.1.2

There are no migrant workers who work in the operational area of the certification unit. Workers do come from various tribes and regions but are still within the same territory of the country. In addition, based on the interviews with contract workers, for example in the nursery area, it was found that there was never a fee paid for recruitment of employees and the work agreement was directly between the worker and the employer. Workers' rights such as wages, health insurance and employment insurance have also been provided by the company

6.1.3

There are examples of recruitment of workers that are in accordance with company regulations, for example a work agreement between the company and prospective RSW initial workers on March 14, 2020 as permanent workers for

harvesters' positions. In the letter explained that the person will undergo a trial period of three months and if the results of the evaluation of satisfactory performance will be appointed as permanent employees. The certification unit includes documentation of the recruitment process starting from the submission of applications by employees, the interview process, to the Work Agreement

6.1.4

Pregnancy testing conducted by the certification unit is not discriminatory but is a form of protection for the reproductive rights of women workers, for example in terms of taking menstrual and maternity leave. Pregnancy tests are carried out once a month by means of urine testing. In addition, menstrual monitoring is always carried out. If pregnant women are found, they will be transferred to light jobs such as looking after child care and general cleaning. Pregnant and breastfeeding mothers are not allowed to do work that is in direct contact with pesticides and fertilizers.

6.1.5

The certification unit has formed a gender committee with the following organizational structure:

Founder → Chairwoman → Deputy Chairperson → Secretary → education section → culture section → section for handling sexual violence and harassment.

Gender committee members consist of all female workers. The gender committee also developed a work program for 2020 as a reference for the main activities of the current year. Activities listed in the program are the implementation of routine mutual assistance, visits / socialization at the TPA, routine posyandu, activities for housewives, socialization of company policies, socialization of cleanliness, to the socialization of reproductive health

6.1.6

Based on employee payrolls, it is known that payment of wages is equivalent to the same scope of work regardless of gender. For example, it can be seen from proof of employee salary payment for the April period as follows

- NIK 0008K02xxx (Manuring/Female) Basic salary Idr 3,030,000.00
- NIK 000260xxx (Upkeep/Male) Basic salary idr 3,033,500.00

Based on the interviews with worker' representatives, for example in Block 49 Division 3 KNB and Block J17 Ladang Mutiara Estate known, wages are given equally for workers of the same grade. The difference in wages is due to a wage scale that pays attention to years of service and level of worker.

Status: Comply

6.2

Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1;6.2.2 & 6.2.3

The rules regarding employment are included in the following documents:

- **Collective Labour Agreement** : has been described in indicator 3.5.1
- **Hiring Procedure** : has been described in indicator 3.5.1
- **Temporary Work Agreement** : has been described in 3.5.1

Wage Documentation:

The wage reference used by the company, namely the Riau Province Agriculture / Plantation Sector Minimum Wage, is as follows:

- Decree of the Governor of Riau on March 18, 2020 Number: Kpts.599 / III / 2020 concerning the Riau Province UMSP which is set at Rp 3,020,000.00
- Memo from the R&D director of PT Adei Plantation & Industry, PT Safari Riau, and PT Steelindo Wahana Perkasa on March 19, 2020 which among others stated that the wages of permanent / monthly employees in accordance with the Riau UMSP in 2020 is Rp3,020,000.00 including natura with the value of rice natura for workers itself is 15 kg or Rp. 142,500 / month

There are examples of worker salary slips as follows

- NIK: 0008Y02272

Status: *KHT* (security)
Basic salary: Rp. 3,055,000.00
Overtime per hour: IDR 17,659.00
Total overtime: 96 hours; paid Rp. 1,695,264

The employee's overtime and daily SPL record can be shown. The results of verifying documents the number of overtime hours paid is 96 hours according to the amount paid in the salary slip

In addition there are also job wages paid with payment system with unit results according to the agreement letter of each activity. There is an example of the calibration of setting piece wages for EFB Application as follow

In 1 point, 416 Kg of empty bunches were applied. In 1 ha the application dose is 30 tonnes so that 72 application points are required. The set piece rate is IDR 770,000 / ha or equivalent to IDR 10,700 per point

Based on verification of wage documents that were paid in unit result for the period June - July - August 2020 did not have a smaller wage when compared to the determination of the minimum wage in the province of Riau. In addition, workers with the piece payments have also been included in the *BPJS* program.

Based on the interviews with workers representatives, for example in block 49, division 3 KNB and Block J17 Ladang Mutiara Estate, it is known that the wages received are in accordance with the salary slips. There have never been any hidden deductions or penalty. The pay slip clearly informs the wage components. There is no change in policy regarding employment. In addition, the results of interviews with workers' representatives, for example at block A21 Safari Riau Estate and block 52, Division 8 of the KNT, it is known that so far there has never been any deduction for wages for workers. Especially for harvesters, there are harvest penalty if the harvested FFB does not match the criteria. This is solely done to maintain the quality of the FFB. Harvesters also understand the penalty mechanism in question. Payroll document give accurate information on compensation for all work performed e.g basic salary, allowance, social and health insurance, etc.

One proof of legal compliance in working conditions is the payment of overtime in accordance with applicable regulations. Normal working hours are 7 hours and there is never any exploitation of workers

6.2.4 & 6.2.5

The certification unit has provided welfare facilities and infrastructure for employees including housing, daycare, houses of worship, educational facilities from early childhood to high school levels, sports facilities, electricity, clean water, and health facilities. Based on the results of field visits to the Ladang Mutiara Estate (PT SWP) housing, the KNB 2 housing and the KNT2 housing, it was found that the condition of the facilities and infrastructure for the welfare of the employees provided by the company was in good condition.

Furthermore, the results of interviews with residential residents showed that there were no complaints about the facilities provided. Workers said that the company obliged and routinely monitored the appropriateness of housing conditions and supporting facilities.

Based on the interviews and field visits to the KNB2, Ladang Mutiara and KNT2 housing areas, it is known that workers' access to decent, adequate, and affordable food is very easy. In each housing there is a shop that provides basic necessities. In addition, the company also provides an employee cooperative (Nilo Mart) in which one of its efforts is to provide basic commodities. In addition, the distance between the company and the district capital is not too far, which can be reached in approximately 1 hour if using a motorbike / car.

6.2.6

The wage eligibility standard referred to by the certification unit is *UMSP*. A detailed explanation of District Minimum Wage is shown in indicator 6.2.1 to 6.2.3. The DLW Benchmark for Indonesia has not been established yet, however, the company has conducted a calculation of Prevailing Wage calculations. The components included in the calculation of decent living wages include the following:

- Pelalawan Regency UMSP 2020: Rp. 3,020,000.00
- Rice: IDR 142,500 excluding wife and children

- Electricity and water: Rp 150,898.00 • House: Rp. 302,429.00
- Daycare: IDR 2,699.00
- Health: Rp. 397,830.00
- Recreation and Sports: Rp. 94,418

The above calculation is for monthly

6.2.7

Based on the results of document verification and interviews with workers' representatives as well as the results of field visits, it is known that all main activities have been carried out by permanent workers. There are several activities carried out by contract workers and contractor workers, for example for nurseries and immature upkeep maintenance activities. Nursery activities and immature are temporary activities.

Status: Comply

6.3

The unit of certification respects the rights 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.

6.3.1

The certification unit has a Sustainability policy that was passed on August 8, 2018 and in it there is a point which states that the company gives freedom to all workers to associate in accordance with applicable laws and regulations. In addition, there is also an organizational acknowledgment stated in the Company Regulations 2019-2021 which states that the company supports workers to be free to associate in accordance with applicable law.

In addition to the above policies, there are also other policies such as the following:

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

Based on the interviews with labor union representatives, it is known that so far the company has supported labour union activities, for example by granting permission to attend trade union events and allowing the union to use the office meeting room when having meetings.

6.3.2 & 6.3.3

The company shows the following documents for meetings which were carried out on a bipartite basis with the trade union:

- Meeting on March 8, 2020 at the PT Safari Riau Office. The meeting was attended by 13 people consisting of representatives from companies and trade unions. The subject of discussion at the meeting included the determination of the 2020 *UMSP* and the application of the new wages
- The internal union meeting on January 12, 2020 regarding the priority of the union work program for 2020 was attended by a total of 15 participants
- The meeting held on March 1, 2019, which was attended by 16 participants and discussed the PKB draft for the new period. In the minutes, it was stated that at the meeting the company and the trade union discussed the points by point stated in the new *PKB* draft.
- On October 11, 2019 between the company and the FSPMI regarding the issue of wife-dependent rice supply

Based on the foregoing, it is known that the company has good documentation related to the formation of a labor union and meetings between the Plantation Company and the union as well as within the trade union.

Based on the interviews with labor union representatives, it is known that so far the company has never interfered in the selection and formation of labor union officials. The company only acts as a facilitator to support activities and a partner

if there are things the union wants to discuss. In addition, based on the organizational structure of the workers' union, it is known that there are no officers who come from the staff level. All union officials are at the foreman's level down, who represent the working class

Status: Comply

6.4

Children are not employed or exploited.

6.4.1 & 6.4.2

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 Hiring) (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

For the contractor, the clause is included in the Work Agreement, which in the *SPK* is attached the KLK group policy, one of which contains the age limit of workers, namely 18 years. Based on the list of workers, it is known that there were no workers who came to work under the age of 18 years.

6.4.3

The certification unit has a policy regarding the age limit of workers, which is at least 18 years old so that no young workers are employed. According to the employee list, the youngest employee was 19 when he started working.

6.4.4

The unit of certification routinely holds a stakeholder meeting once a year. During the event, the company sustainability policies, including the prohibition of child labor, were presented. The last stakeholder meeting itself was held on December 21, 2019 and was attended by 27 participants who were representatives and community leaders as well as village youth leaders around the company.

In addition to the stakeholder meeting, a sustainability policy was also carried out, especially regarding the prohibition of bringing children to work locations and employing children, for example, which was carried out on August 28, 2020 and May 12, 2020 to the head of the SP2 KKPA farmer group which was attended by 5 Koptan heads and 4 administrators Cooperative.

Based on the results of interviews with the foreman and the village community around the company, it is known that the company has routinely carried out socialization and an understanding of not allowing child employment. In addition, in strategic places such as housing areas, office areas and work blocks, warnings are also installed regarding the prohibition of using child labor.

Based on the interviews with representatives of contractors (PT Indotama Jaya Mas and PT Nadia Walfiona Jaya), it was found that the policies regarding children, especially the prohibition on the hiring of child worker, had been conveyed. Representatives of the Telayap and Kemang communities and trade union representatives also mentioned the same thing

Status: Comply

6.5

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

6.5.1

In an effort to maintain decency, a Gender Committee was formed in accordance with the policy on Sexual Harassment and Violence on October 1, 2011, which stated that the company did not tolerate sexual harassment and violence against women in the workplace. One of the programs of the gender committee itself is to socialize all employees regarding the company's commitment to prevent all forms of violence and maintain decency.

Based on the interview with representatives of female workers, for example in block 49, Division 3 KNB2; nursery area; and Blok J6 Ladang Mutiara Estate, it is known that so far there have never been any issues regarding sexual

harassment and violence. Workers also know and can explain the flow of reporting to the gender committee if they are perceived to be victims of sexual harassment

6.5.2

The certification unit has a policy on the Protection of Women's Reproductive Rights which was signed on October 1, 2012. The policy said about:

- The company will comply with all legal and regulatory requirements relating to reproductive rights.
- A Gender Committee will be formed to implement and monitor this policy

The realization of the policy includes the formation of a gender committee as described in indicator 6.1.5 and granting both of maternity and menstruation leave as stipulated in the *PKB* and *PP*. Based on the results of interviews with representatives of female workers, for example in block 49, Division 3 KNB2; nursery area; and Blok J6 Ladang Mutiara Estate, it is known that the reproductive rights of female workers are always given, such as maternal and menstrual leave

6.5.3

Based on the field visits to the Ladang Mutiara Estate housing and KNB2 housing, it was found that to accommodate the needs of young mothers, especially in terms of privacy, giving breast milk to children, the company has provided a Breastfeeding Corner at the Child Care Center. In addition, the information obtained from worker, breastfeeding mom is given a special time to provide breast milk for their children. Can be done at the breastfeeding corner or in each house.

6.5.4

The complaint handling mechanism and system is explained in SOP 20 regarding procedures for submitting complaints / complaints on the date of revision August 12, 2016. Complaints can be submitted through recording in the logbook that has been provided, directly to the RT / foreman, through the suggestion box, through the gender committee, the union, the hotline and e-mail provided by the company and through the RSPO website.

All non-confidential complaints are recorded in the logbook, reviewed by the manager once a week, responses are submitted within 14 days.

- Head of neighborhood / foreman records 3 verbal complaints in the complaint logbook within 3 days.
- Complaints related to work practices can be submitted through labour unions
- Complaints including whistleblowers and anonymous cases can be channeled through the suggestion box, the suggestion box is checked by the GM / director
- Complaints concerning gender and sexual harassment can be submitted through the gender committee

Based on the interviews with representatives of women workers, for example at block 30, Division 8 KNT and block 49 Division 3 KNB they have understood the existence of this procedure.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1 & 6.6.2

There are no migrant workers working in the company's operational area. All workers come from within one country (although from various regions). In addition, each worker has been equipped with a clear employment contract. Workers' rights and obligations are also clearly stated in company regulations

Employment procedures for contract workers can be seen in the work agreement attached to each worker. Examples of work agreement can be seen in indicator 3.5.1. contract workers have also been registered at the Pelalawan Regency Manpower Office for example in accordance with Evidence Number 560 / DTK / PK / 2020/01 dated 18 March 2020 for 41 people of PT Adei P&I Nilo contract workers

Based on the results of document verification, it is known that no contract worker has exceeded 3 years and is still bound in the first contract period.

Status: Comply

6.7

The unit of certification ensures that the working environment under its control is safe and without undue risk

to health.

6.7.1

The person responsible for occupational safety and health is the OHS Committee team. The OHS Committee team structure that has been formed include the following

- PT SWP: In accordance with the Decree of the Head of the Riau Province Manpower and Transmigration Office (No. KPTS.560 / Disnakertrans.PK / SK-P2K3 / X / 2019/05) which is valid starting from March 8, 2019. The document one of which explains employees on behalf of Budiman Simanjuntak as secretary is a General OHS Expert, with the permission document No. Reg: 14372 / PK3 / AJ / 14/2013 / PO valid until January 26, 2021
- PT Adei P & I: In accordance with the Decree of the Head of the Manpower and Transmigration Office of the Province of Riau No. Kep.89 / Disnakertrans-PK / SK-P2K3 / III / 2020 regarding the revision of the committee on occupational safety and health (*P2K3*) at PT Adei Plantation & Nilo Kebun Industry on March 20, 2020. In the decree, the *P2K3* team oversees KNT-1; KNT-2; NPOM-1; NPOM-2. Furthermore, there is the Republic of Indonesia's Ministry of Manpower Decree No. KEP.P.1785 / M / DJPPK / I / 2018 dated January 26, 2018 regarding the extension of the appointment of OHS experts to Adria for the company PT Adei Plantation & Industry. The decision is valid for three years
- PT Safari Riau: In accordance with the Decree of the Head of the Manpower and Transmigration Office of Riau Province on March 18, 2019 No. Kep. 58 / Disnakertrans-PK / SK-P2K3 / III / 2019 concerning the revision of the PT Safari Riau Occupational Health and Safety Supervisory Committee with the *P2K3* secretary on behalf of P. Adhi Nugroho. There was the appointment of a OHS expert named KEP.P.1789 / M / DJPPK / I / 2018 by the Indonesian Ministry on January 26, 2018. Valid for 3 years from the date of stipulation. OHS expert authority card with registration number 1437 / PK3AJ / 14/2013 / PO from the Ministry of RI valid from January 26, 2018 to January 26, 2021.

Regular meetings are held every month to discuss issues regarding OHS. For example, the March 2020 meeting discussed the Covid-19 protocol and plans to prevent and manage a pandemic.

6.7.2

OHS Procedure

The company has an SOP related to emergency accidents in the Emergency Response SOP 24 (August 10, 2017) which explains, among others, about:

- a. Work Accident Emergency Response: Reporting process (2 x 24 hours to BPJS Employment); Minor accidents are handled by the first aid holder (if needed to be delivered to the clinic); Conduct accident investigations by OHS experts and clinical officers; BPJS claims for all types of work accidents the company will claim. (including death and disability); Documentation and consideration materials for the *P2K3* meeting.
- b. Chemical Spill Emergency Response
- c. Building Fire Emergency Response.
- d. Land Fire Emergency Response.
- e. Natural-Flood Emergency Response.

- Risk Identification and Control

The company shows the Hazard Identification, Risk Analysis and Risk Control documents made by the PT Adei Plantation & Industry plantation team which was approved by the management leader on February 28, 2019 which informs the identification of hazards (work activities, sources of danger, risks / impacts); risk analysis (current risk control, frequency, severity / consequence, risk level), and risk control (actions to reduce risk and responsibility (date / status).

The document has discussed hazard identification, risk analysis, and risk control in every mill and estate operational activities such as crop maintenance (pesticide spraying, fertilizer application, empty longitudinal application, stem pruning, etc.), harvesting activities (including in areas near the flow electricity), transportation of FFB, all FFB processing activities (weighbridge, press stations, sampling, boiler stations, etc.), and general activities (warehouses, workshops, employee transportation, employee housing, garbage disposal, generator sets & water pumps, and security officers).

OHS Facilities and Infrastructure

- Clinic: There are 1 clinic available at KNB-1 which is also a health facility class-1 of *BPJS Kesehatan*
- First aid kit and bag: First aid kit placed in strategic areas such as the estate office and ,mill office, workshops and process offices while the first aid kit is given to each of the foreman of the estate
- Fire Extinguisher: Provided in residential areas, plantation offices and factory offices, as well as each station in the factory
- PPE: Given to every employee for free - Only according to the risk analysis of each work and can be replaced immediately if the PPE is damaged because it is used for work. Based on PPE handover documents, it is known that on March 10, 2020 the company carried out the re-distribution of PPE to employees. Companies can also show examples of detailed history of providing PPE from year to year per employee. For example, the history of PPE administration for ARL initials harvesters as follows: April 15, 2013 (Helmets, boots, glove covers); February 9, 2014 (boots); dated August 28, 2014 (mask); September 16, 2015 (Helmets and Masks); December 19, 2016 (boots and orchid covers); July 25, 2017 (sunglasses, boots, and eaves gloves); 31 October 2018 (boots); October 15, 2019 (boots); and March 10, 2020 (boots and orchid covers)
- OHS warning, evacuation routes and gathering points installed at strategic places
- Visitor line in the mill area

- First aid officer

For field workers who are responsible as first aid officers are the foremen of each activity. Furthermore, those who served as first aid officers were day-care keeper, warehouse keepers, head of administration, and hazardous waste warehouse officers. There are examples of first aid training given by company doctors, for example on 15 February 2020, which was attended by a total of 31 employees

Meanwhile, the OHS equipment includes the first aid post and the provision of first aid bags / boxes. Based on the results of visits to the POM area (Grading Station, Process Office, and Workshop) as well as field activities, for example in the circle and pats spraying in block 49 division 3 KNB2 and harvesting activities at Ladang Mutiara Estate, it is known that the contents of the first aid box / bag are 21 items according to with regulations and in good condition.

Based on the interviews with first aid officers, it was found that these officers had understood the basics knowledge of first aid. In addition, the first aid bag that was carried also had complete contents. Records of work accidents are kept on a monthly basis and discussed during the OHS Committee monthly meeting

6.7.3

All workers have been provided with PPE free of charge in accordance with the results of a risk assessment at each person's workplace. Based on the results of interviews and field visits to Mill and Estate operations, the following facts are found:

- POM process station: Workers have used complete PPE such as safety shoes, earplugs, masks, and helmets
- KNB2 spraying activity: Pesticide applicators use complete PPE including boots, goggles, masks, aprons and rubber gloves.
- KKPA 2 harvesting activities: Harvesters wear boots and helmets

Based on the PPE handover document, it is known that on March 10, 2020, the company carried out the distribution of PPE to employees. The company can also show examples of detailed history regarding the provision of PPE from year to year per employee. For example, the history of giving PPE to harvesters with the initials ARL as follows: December 19, 2016 (boots and harvesting knife protector); July 25, 2017 (Glasses, boots and harvesting knife protector); October 31, 2018 (Boots); October 15, 2019 (boots); and March 10, 2020 (boots and harvesting knife protector)

The company also provides sanitation facilities for workers who use pesticides in the form of rinse houses. The rinse house is equipped with clean water facilities, changing rooms, a place to store PPE, and a place for washing knap sacks. Based on the results of field visits to the KNB2 rinse house, the Ladang Mutiara Estate rinse house, and the KNT2 rinse house, it is known that the provision of the rinse house has been utilized according to its function. The results of the interview with the KNB spraying team found that every worker left clean from pesticides and returned clean

However based on field visit to the KUD Teluk Makmur office (farmer KKPA-SP 2), since August 2019 the overall

management of smallholder including provision of rinse houses, PPE storage and chemical storage has been fully managed by farmers and KUD. At the time of the ASA-1.1 assessment, the construction of a rinse house and a chemical storage warehouse for the KKPA-SP2 KUD Teluk Makmur was still in process. Information obtained from KUD representatives and company representatives is known that for the time being the smallholder pesticide applicator rinse house is still located at Ladang Mutiara Estate (main estate). Thus the company has the opportunity to continue to provide assistance and support for KUD Teluk Makmur KKPA SP2 to be able to realize and provide sanitation facilities for workers / farmers who use pesticides (OFI)

6.7.4

The company already has health facilities provided to employees in the form of a clinic and a first aid post. The clinic itself is a class 1 health facility in collaboration with *BPJS Kesehatan*. Based on the results of interviews with trade unions and worker representatives, it is known that all workers have been included in the *BPJS Kesehatan* and *BPJS Ketenagakerjaan* programs. Evidence of participation can be seen from the following premium payments:

- *BPJS Kesehatan*:
 - Payment for the July 2020 period for PT Adei Nilo Plantation & Industry (Nilo Complex) on 10 August 2020 through a bank with transaction number 5752262008101706270878 for 1067 employees and 3,062 dependents
 - PT SWP : Premium payment for the July 2020 period through Bank Mandiri on August 10, 2020 with transaction number 6752262008101634584872 for 128 workers and 274 dependents
 - PT SR : Payment for the period March 2020 through Bank Mandiri on March 11, 2020 (302 permanent employees; 56 contract employees; 12 OJT employees)
- *BPJS Ketenagakerjaan* :
 - Payment for the July 2020 period for PT Adei Nilo Plantation & Industry (Nilo Complex) on 10 August 2020 through banks, for example with transaction no. 675227200810174316095. In the billing statement issued by BPJS TK it is known that payments were made for a total of 1,561 employees
 - PT SWP : Premium payment for the July 2020 period through Bank Mandiri on August 10, 2020 with the transaction number 67522720081016424220977 for 128 employees
 - PT SR : Payment for the period May 2020 via Bank Mandiri transfer dated April 14 2020 302 permanent employees; 56 contract employees; 12 OJT)

Based on document verification and interview with worker representative known all worker (both of contract and permanent) has been covered in its program. As of May 2020, there have been no claims for work accidents. Work accidents that occur can still be handled at the company clinic with no missing work day exceeding 4 days.

6.7.5

LTA records (period October 2019 - May 2020) shown by the certification unit include the following:

NPOM 2:

Average Number of Employees: 90.9

Working Days: 199

Average business hours: 15,025

Working hours for all employees: 120,205

Number of Accidents: 1

Day Lost: 4

Death / Fatality: 0

So that FR = 8.3 and SR = 33.3

KNT

Average number of employees: 557,40

Working Days: 199

Average business hours: 92,090

Working hours for all employees: 736,721

Number of Accidents: 1

Day Lost: 4

Death / Fatality: 0

So that FR = 17.6 and SR = 61.1

PT SWP

Average number of employees: 148.1

Working Days: 199

Average business hours: 63,039

Working hours for all employees: 504,317

Number of Accidents: 7

Day Lost: 13

Death / Fatality: 0

So that FR = 13.9 and SR = 25.8

Status: Comply

PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT

7.1

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

7.1.1

The company already has SOP 17 - Management of Integrated Pest Management (IPM) and IPM program in 2019/2020. In the SOP, it was explained that the provision of rat poison bait was carried out if the rate of new damage to oil palm plants exceeded 5%. Stages of integrated pest control (IPM) carried out include pest detection, identification of species and populations of pests through censuses, control of pests in technical and biological cultures, and control of chemistry (with chemicals) if the attack level exceeds the threshold to maintain ecosystem balance. Company has monitored the implementation of IPM plan, such as census has been conducted in accordance with plan for termite three times and rat twice a years, etc.

The company has shown records related to the recapitulation of the census of caterpillars, ganoderma, termites, horn beetles and rat pests. The records related to the results of the census include the following:

1. Census of rats conducted in Division 2 KNT 1 covering 430 hectares with an attack rate of 1.23% and still below the critical threshold.
2. The Ganoderma census was carried out in the East Nilo 2 farm with an area of 862 ha with an attack rate of 0.16%. and is still below the critical threshold.
3. The termite pest census was conducted at the Mutiara Field Estate in October 2019 with an area of 390 ha with an attack rate of 0.15%. and is still below the critical threshold.

The company has tried to conduct biological control to suppress pest population diseases, such as planting and maintaining beneficial plants to suppress netter caterpillars, installing burn owl boxes and monitoring owls to suppress rat pest populations. In addition, the company has also utilized beneficial plants at PT Adei Plantation & Industry, among others: in 2019 the company filled up *Turnera.sp* on main road 2 along 1000 meters and collection road 62 along 700 meters.

Based on the results of a field visit to one of the barn owl in block B5 division II PT Safari Riau, it is known that the barn is in an active state marked by the large number of bone marks from rats under the barn as well as traces of droppings and owl feathers around it.

7.1.2

Based on document review and interviews with the company, the company applies several biological control practices to suppress pest and disease attacks such as *Antigonon leptopus* and (*Tyto alba*) and is well managed for example there are intersections at the intersection of the road to grow *Antigonon leptopus*. The results of verification on the cabi.org website are known that the species was declared not invasive in Indonesia.

7.1.3

Based on the results of field visits to the work of Circle and path spraying, disc scratching, harvesting, or fertilization, there was no trace of the use of fire as a control for pests at PT ADEI Plantation & Industry, PT Safari Riau, PT. SWP and KKPA SP2. The company management also explained that pest control was only carried out biologically and

chemically.	
Status: Comply	
7.2	
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.	
7.2.1	
<p>The company shows SOP.18 related to the Security of Use and Storage of Chemicals including Hydrocarbons, revised 1 dated August 10, 2017, which explains that only the agrochemical materials listed in the legislation and the applicable regulations that may be used and the dosage of chemical use are following recommendations.</p> <p>The company has documented the Toxicity Monitoring of Pesticides and Chemical Materials in KNT 1, KNT 2 and PT SWP dan KKPA. The document details the type of material used, registration number, control target, acute oral toxicity (oral LD50), dose / ha, LD50, active ingredient (%) and active ingredient / ha.</p> <p>Integrated pest control is carried out based on predetermined methods, such as biological, mechanical and chemical, where chemical control is the last method based on the results of detection and census that exceeds economic threshold values. Biological control is done as a preventive measure to suppress or control pest populations naturally (using natural enemies).</p> <p>Based on the results of field visits and interviews of workers at the circle and path spraying in Block J17 / J18 Ladang Mutiara, it is known that workers already understand the spray work procedure. Workers can explain the technicality of spraying, the type of pesticide used, the target of spraying and not spraying near water bodies. From the results of the field visits it was also found that workers were already wearing the appropriate PPE.</p>	
7.2.2	
<p>The company has presented documents related to pesticide use for the past 3 years for each estate. Based on these documents, it is known that the amount of pesticide use by the company, for example, is the use of pesticides with the active ingredient methyl metsulfuron at PT SWP in the period October 2017 - September 2018 amounting to 901 kg, the period October 2018 - September 2019 amounting to 102 kg, and the period October 2019 - July 2020 amounting to 39.81 Kg. Based on the document, it is also known that the amount of pesticide use per unit hectare for pesticides with the active ingredient methyl metsulfuron is 0.08 kg per hectare.</p>	
7.2.3	
<p>The company has presented documents related to pesticide use for the past 3 years for each estate. Based on these documents, it is known that the amount of pesticide use by the company and a decrease in the use of several types of pesticides, for example, is the use of pesticides with active ingredient methyl metsulfuron at PT SWP in the period October 2017 - September 2018 amounting to 901 Kg, the period October 2018 - September 2019 amounting to 102 Kg, and the period October 2019 - July 2020 39.81 Kg. Based on the document, it is also known that the amount of pesticide use per unit hectare for pesticides with active ingredient methyl metsulfuron is 0.08 kg per hectare. In addition, to reduce the number of pesticide use, it is known that the company uses natural predator of pests, for example the use of owls as natural predators of rats.</p> <p>Based on the results of a field visit to one of the barn owl in block B5 division II PT Safari Riau, it is known that the barn is in an active state marked by the large number of bone marks from rats under the barn as well as traces of droppings and owl feathers around it.</p>	
7.2.4	
<p>Based on the study of pesticide use documents for the period January-July 2020, it is known that there is the use of pesticides with the active ingredient cypermetrin to control oryctes pests in immature plants. In the SOP for pest and disease control, it is explained that control is carried out by rotating 2 times a month (14 days interval). In addition, it was also explained that control could be carried out more intensively if it was approved by the Group manager.</p> <p>The company has also presented a Memorandum issued by the Group Manager of Nilo Complex Estate dated January 2, 2018 which contains the matter of spraying oryctes. In the memo, it is explained that "taking into account the high</p>	

level of hornbill pest attack in the field, it is possible to add more spray rotations from 2 rotations to 3 or 4 rotations according to the severity of attacks in the field.

7.2.5

Based on the document verification, the unit of certification no longer uses pesticides with active ingredients paraquat and from pesticide stocks as well as field observation in storage there is no pesticides with active ingredients paraquat and that categorized WHO Class 1 A and 1 B

7.2.6

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

the company has conducted regular training for employees who intersect with chemicals / pesticides in every unit of the company. for example showing the pesticide applicator training document in the KKPA SP2 on February 5, 2020. The training was conducted for 3 pesticide applicators. Based on the results of field visits and interviews of workers at the circle and path spraying in Block J17 / J18 Ladang Mutiara (PT SWP), it is known that workers already understand the spray work procedure. Workers can explain the technicalities of spraying, the type of pesticide used, the target for spraying and not spraying near water bodies. From the results of the field visits, it was also found that workers were already wearing the appropriate PPE.

7.2.7

Based on the results of the field visit to the pesticide storage warehouse, it was found that pesticides were stored based on the type of each pesticide which was placed on a special shelf and was equipped with MSDS which was available in Indonesian so that it was easy and understood by the warehouse staff.

7.2.8

Based on the results of field visits to Hazardous Temporary Storage at Nilo 2 Mill, and KNB-2, it is known that the company has stored pesticide containers in Hazardous Temporary Storage and for scheme smallholders, pesticide waste management is stored in Hazardous Temporary Storage at PT SWP with evidence, among others :

- Handover letter of hazardous waste from SP2 smallholders scheme in the form of used 5 kg jerry cans, 3 kg contaminated packaging, 10 liters of used oil, 5 kg used filter on August 28, 2020
- Handover letter of used pesticide packaging from Sungai Buluh KKPA in the form of 14 kg of used pesticide packaging on April 17, 2020
- Handover letter of hazardous waste from KKPA Sungai Buluh in the form of used jerry cans as much as 15 kg and used filters 25 kg on August 25, 2020

7.2.9

The results of the document review, interviews with management revealed that the company did not apply pesticides by air.

7.2.10

The company has shown a recap document of the results of the September 2019 health checks for 37 spray workers. The tests carried out include routine blood, urine and Cholinesterase checks. One example is the spray worker with the initials YH, based on the results of the inspection the worker was declared healthy and the occupational conclusion was in a fit condition.

7.2.11

The company has shown documents related to routine pregnancy checks of workers who come into contact with chemicals, both fertilizers and pesticides. One example is the results of pregnancy checks on 26 workers (fertilizer and spray workers) of PT SWP with the result that none of the workers were pregnant. Based on the results of interviews with spray workers in block 49 of the 3rd KNB Division, it was found that there were no pregnant or breastfeeding workers who did work that was in contact with chemicals, if the worker was pregnant or breastfeeding then the worker would be transferred to light work and not related to chemical material. Besides that, the workers also explained that the

company does not accept employees who are under the age of eighteen.		
	Status: Comply	
7.3 Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.		
7.3.1 All waste products and sources of pollution have been identified and documented in the waste management and identification document period of 2019. Based on document verification shown company has implemented waste management accordance with waste identification source and management plan for examples are : <ul style="list-style-type: none"> • Estates, waste source: chemist activities, waste type: ex pesticides containers (toxic and hazardous waste), managed by stored in optimalization store and sent to related transporters • Mill, waste source: FFB process, waste type: shell and fiber (non-toxic/hazardous waste), managed by renewable energy usage for boiler • Mill, waste source : FFB process, waste type : palm oil mill effluent, managed by the effluent pond and land applications as nutrient cycle. • Estates, waste source: pruning activities, waste type: oil palm frond (organic waste), managed by frond stacking. <p>PT Adei Plantation & Industry, PT Safari Riau and PT SWP have permits for the Temporary Storage of Hazardous Waste and based on the results of visits to hazardous waste storage areas, it is known that they are equipped with emergency response facilities such as eye wash, alarm, light fire extinguisher, first aid kit, and hazardous waste signs.</p>		
7.3.2 The company has implemented hazardous waste management in accordance with its procedures, including by recording and documenting hazardous waste stored in Temporary Hazardous Waste Storage in the Hazardous Waste logbook and balance, recording and documenting hazardous waste submitted to collectors and transporters in the form of manifest evidence hazardous waste. <p>Based on the results of field visits to the Temporary Hazardous Waste Storage at Nilo 1 Mill and KNB-2 Estate, it is known that each officer can explain the procedures for handling and managing hazardous waste according to the SOP. The company has shown proof of delivery of hazardous waste to licensed transporters and collectors, namely PT Primanru Jaya by transportation using vehicle No. B 9657 IC on March 4, 2020.</p> <p>Based on the results of interviews with management, it is known that they can explain the procedures for domestic waste management and hazardous waste management.</p>		
7.3.3 The company has SOP No. 23 concerning Management of Hazardous Waste and Non-Hazardous Waste in the document, it is explained that non-Hazardous Waste (domestic waste) is placed in a landfill 1000 meters from the housing. Install warning signs such as "No Burning" in the area. housing and landfills. Based on the results of a visit to the landfill in Block 49 Division 3 KNB 2 Estate, it was found that the company had dumped it in a designated area and was far from housing. based on the results of visits to the KNB2 Estate and PT SWP housing estates, there was no burning of garbage.		
	Status: Comply	
7.4 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
7.4.1,7.4.3 The Company has SOP to maintain soil fertility and recording of its implementation in accordance with SOP number 7C related to crop maintenance which explains that fertilization is based on the recommendation issued on soil and leaf test result. In addition, there are SOPs on fertilization before re-planting and fertilizing special compound fertilizer. Based on the result of document review and interview with the management, known that the implementation and monitoring of soil and leaf analysis is done by Agronomist Team of PT AARI as the party issuing fertilizer recommendation.		

Fertilization realization

The company has shown a record of fertilization realization program. The fertilizing records at KNT 2, PT SWP and KKPA are as follows:

1. Fertilizing is carried out in Block 3PM 199A4a using ZA fertilizer in January 2020 as many as 13,820 kg with the realization of 100% compared to the recommendations set.
2. Fertilization was carried out in Block 3PM1999A1b using MOP fertilizer in July 2019 totaling 13,180 kg with a realization of 100% compared to the recommendations set.
3. Fertilizing was carried out in Block B15 of PT SWP Ladang Mutiara Estate using Dolomite fertilizer in July 2020 totaling 11.8 tons with an area of 11.8 ha and a dose of 1 ton / ha according to the established recommendations.
4. Fertilizing was carried out in PM 2006 B2 / 2 Block KKPA Sungai Buluh Estate using MOP fertilizer in May 2020 as many as 4.29 tons with an area of 27.30 ha and a dose of 1 kg / tree according to the established recommendations.

Application EFB and POME

The company has shown records related to implementation and monitoring, including:

1. The application of EFB in Division 8 KNT-1 covering an area of 55.18 Ha with a dose of 30 tons / ha with a total of 1,675.98 tons
2. POME was applied in KNB-2 in March 2020 with a dose of 450 liters / tree with a total of 9,352,000 liters.

7.4.2

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

The company analyzes the soil every year that is carried out by PT. AARI (Applied Agricultural Resources Indonesia). Analysis of the soil is contained in the document Soil Analysis Result. The realization of the evaluation of soil fertility status at KNT 1 dan KNT 2 was conducted on 25 November 2019 to determine pH, organic C content, total N (in%), total P content and available P, K content, Mg content, Na content, Ca content and value of cation exchange capacity. Beside that, the company has shown proof of implementation in accordance with the SOP, including the report on leaf test results with January 1, 2019 in KNB 1 dan KNB 2. The indicators carried out by observations included levels of N, P, K, Mg, Ca, B and Ash and carried out supporting data in the form of visual observations.

Based on the 2018/2019 fertilization recommendation document conducted by PT AARI for PT Steelindo Wahana Perkasa, Sungai Buluh KKPA, SP1 Pekan Tua Raya, and SP2 Teluk Makmur. In point 6 regarding leaf nutrient status, it is explained that "We do not recommend taking samples of leaves, frond and soil due to limited fertilization of 1 million per hectare. The focus of the fertilization program is on the supply of N and K nutrients, so that with these limitations, no sampling is needed for the basis of determining the fertilization program.

7.4.4

The company has shown the fertilization realization documents for each estate. The examples of fertilization realization are as follows:

KNB

- Fertilization was carried out in Block 3PM 199A4a using ZA fertilizer in January 2020 as much as 13,820 kg with a realization of 100% compared to the recommendations that have been set.
- Fertilization was carried out in Block 3PM1999A1b using 13,180 kg of MOP fertilizer in July 2019 with a realization of 100% compared to the recommendations that have been set.

SWP

- CaCO₃ fertilization is carried out in blocks B11 - B13 in February 2020 at a dose of 12.50 kg per plant with a total tonnage of 54.06 tons.

Status: Comply

7.5
Practices minimise and control erosion and degradation of soils.
7.5.1

The company shows a survey of PT. Adei Plantation & Industry in 2018 and Map of PT Adei Plantation & Industry scale 1: 150,000 in 2018 which explains the company's area there is a deep peat area of > 3 meters covering 10,075 ha (85%), medium peat 1-3 meters covering 1,194 ha (10%) and 0-1 meters shallow peat covering 573 ha (5%). Based on the results of the peat soil survey that the mineral soil layer below the peat is not quartz sand or acid sulfate soil and the level of peat maturity that is hemik to saprik

The company also showed a map of PT Adei Plantation & Industry scale 1: 100,000 in 2014 which informs the slope of the land. The slope of the land cultivated by PT Adei Plantation & Industry is flat (0 - 4%) covering 9,545 Ha (77%), undulating (2-6%) covering 2,667.90 Ha (22%), and hilly (12-24%) covering 227 hectares (2%).

Topographic maps shown by the company PT SWP - namely 1: 40,000 scale topographic maps published by PT. AAR Indonesia. In the map, it is known that the flat area (0-4%) 1,604 Ha: 91% and Undulating (4-12%) 174 Ha: 9%. So that in general the company area is an area with a flat topography.

Map of PT Steelindo Wahana Perkasa and KKPA Sungai Buluh, Scale 1: 80,000 made by PT. AAR Indonesia. Based on the map is known. that the type of soil being cultivated is 100% peat soil

7.5.2

Based on the results of the study of the statement area documents and field observations to the replanting area in block PR20A7 Kebun Nilo Timur and Block PR19B Kebun Nilo Barat, it was found that there was no replanting in areas with steep slopes. Replanting is carried out in areas with flat and undulating topography.

7.5.3

Based on the results of the study of the statement area documents, interviews and field observations, it was found that the company had not planted any new plantings in the company's area.

Status: Comply

7.6
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.
7.6.1

The company shows a survey of PT. Adei Plantation & Industry in 2018 and Map of PT Adei Plantation & Industry scale 1: 150,000 in 2018 which explains the company's area there is a deep peat area of > 3 meters covering 10,075 ha (85%), medium peat 1-3 meters covering 1,194 ha (10%) and 0-1 meters shallow peat covering 573 ha (5%). Based on the results of the peat soil survey that the mineral soil layer below the peat is not quartz sand or acid sulfate soil and the level of peat maturity that is hemik to saprik

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Map of PT Steelindo Wahana Perkasa and KKPA Sungai Buluh, Scale 1: 80,000 made by PT. AAR Indonesia. Based on the map is known. that the type of soil being cultivated is 100% peat soil.

Based on interviews and document review, it is known that the company is no longer developing new plantations.

7.6.2 and 7.6.3

Based on the review of the area statement documents and field visits, it was found that the company did not develop any new oil palm plantings in areas managed by the company.

Status: Comply

7.7

No new planting on peat, regardless of depth after November 15th, 2018 and all peatlands are managed responsibly.

7.7.1

Based on document review and interviews with the management of PT Adei Plantation & Industry, the company no longer carries out new plantings in existing plantation areas or in new development areas.

7.7.2

The company has carried out a peatland inventory according to the RSPO peat inventory template and a report has been sent to the RSPO secretariat as evidenced by the email sent by Jason Foong Huay Yuan to email ghg@rspo.org on 14 November 2019. However, there is a revision of the peat inventory at PT Safari Riau and the revisions were reported by the RSPO secretariat on 11 June 2020.

7.7.3, 7.7.4

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

The company shows subsidies and water level monitoring documents in KNT 1, KNT 2, PT SWP and KKPA Sungai Buluh. Examples of monitoring land subsidence are as follows:

1. Monitoring was carried out at peg subsidized No.15 in Division 5 KNT 1 in March 2019 and found that there was an average land subsidence of 2.28 millimeter.
2. Monitoring was carried out at peg subsidence No.20 in Division 8 KNT 2 in May 2020 and it was found that there was an average land subsidence of 5 millimeter.
3. Monitoring was carried out at the subsidence stake No.22 in the PT SWP Division in May 2020 and found that there was an average land subsidence of 3.5 millimeter.
4. Monitoring on subsidence stake No.24 in the Sungai Buluh KKPA Division in May 2020 revealed that there was an average land subsidence of 12 millimeter.

Peatland subsidies have been attempted to be minimized by regulating water levels with regular monitoring using a piezometer and making dams with sand bags as a barrier and waster of water (with overflow).

The company shows monitoring groundwater level measurements in March 2020 at KNT 1 and KNT 2 including the following:

Monitoring date	Block (cm)					
	PZ03	PZ05	PZ06	PZ	PZ24	PZ28
6/03/2020	67	79	50	65	69	78
12/03/2020	51	71	45	63	50	75
23/03/2020	34	65	40	60	74	60
26/03/2020	36	68	41	56	71	55

The company shows the monitoring of ground water level measurements in Mei 2020 accelerated by PT SWP including the following:

Monitoring date	Block (cm)					
	PZ96	PZ97	PZ98	PZ109	PZ110	PZ111
3/05/2020	19	62	77	46	62	62
7/05/2020	38	72	83	51	68	68

10/05/2020	8	42	55	23	39	38
14/05/2020	18	53	66	37	50	52

The company shows the monitoring of ground water level measurements in Mei 2020 accelerated by PT SWP including the following:

Monitoring date	Block (cm)					
	PZ121	PZ122	PZ124	PZ133	PZ134	PZ135
4/05/2020	52	37	62	60	37	63
8/05/2020	55	40	63	64	43	65
11/05/2020	53	38	57	53	35	66
15/05/2020	59	40	60	54	34	70

The company has shown the *Mucuna bracteata* planting recap document in KNT-2, based on the document it is known that the company has planted MB. For example in March 2020 planting legium cover crop (LCC) in Block PR 2020 A5 as much as 124 ha.

The results of field visits to PT SWP's A18 block show that the water level in the collection trench is 60 cm. From the results of the field visit it was also noted that the company also built sand bag dams (sand bag weirs) to adjust the water level in the collection trench. Based on the results of interviews with field assistants, it is known that the sand dam functions to regulate (hold) the water level in the field. If the rainy season is reduced, the height of the sand dam is reduced so that water can flow to a lower water discharge, while at the end of the rainy season, the sandbag dam is increased to maintain water conditions to face the dry season.

Based on the results of field visits to the replanting area in PT SWP's block B17 and block PR20A7, it was found that the company had planted *Mucuna bracteata* as a cover crop.

7.7.5

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

PT SWP

The company has analyzed the accuracy level recorded in the Drainability Assessment report of Peatland Replanting Area in Ladang Mutiara, PT Steelindo Wahana Perkasa, Riau, Indonesia which was issued in October 2019. The conclusion of the Drainability Assessment report is that all replanting blocks for the 2019-2021 period has a Drainage Limit Time of more than 40 years and replanting is allowed.

KKPA SP2

The verification results of the PT SWP statement area document for the 2020 Period are known that the oldest planting was 15 years old (planting year 2005) and the youngest crop was 14 years old (planting year 2006) so the company did not have a replanting plan.

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

7.7.6

The company has managed peat, namely by managing water. The examples of management that are calculated are the installation of a water level stick in the collection trench, the installation of a piezometer as a monitoring device for the level of the groundwater level in the planting area and the installation of subsidence stakes to monitor the rate of subsidence of peatlands. In addition, the company also installed sand bag weirs as a means of controlling the water level in the field with an over flow system.

The company also has fire fighting facilities and infrastructure in accordance with applicable regulations in Indonesia. As a monitoring tool, the company has fire monitoring towers, one of which is located in PT SWP's J18 block and routine fire patrols as well as the installation of warning signs for land fire hazards and prohibition of land burning.

The results of document verification and interviews with the company revealed that in the NILO Complex area there were 36 units subsidized pole consisting of 21 units for PT Adei Plantation & industry, 12 units for PT Safari Riau, 2 units for PT SWP and 1 unit for KKPA. The results of document verification show that the area of peat planted in the NILO Complex is $\pm 17,497.4$ ha, so the ratio is 1 stake representing an area of 486 ha.

Meanwhile in the RSPO Manual on BMPs For Existing Oil Palm Cultivation on Peat, it is explained that **"A subsidence pole should be installed at a minimum rate of at least one and preferably two (for control) in every 240 ha of an estate (in representative locations) "**.

Based on the explanation above, the company has the opportunity to improve the performance of peatland management by adjusting the number of subsidence stakes according to the recommendations in the RSPO Manual on BMPs For Existing Oil Palm Cultivation on Peat.

Based on the results of field visits to the estate sample, it is known that subsidence markers and piezometer are available as part of one of the peatland management. The results of the field visit also revealed that the subsidence stakes and the piezometer were not provided with a protective fence, so there was potential for interference that could cause the measurement results to be inaccurate or damage to the equipment. In this regard, the company has the opportunity to develop protection for monitoring tools for measuring peat. **OFI**

7.7.7

The company has monitored HCV areas or peat areas bordering oil palm plantations by installing HCV area signs, maintaining water level elevations outside the plantation area at all times, installing signs of fire-prone areas, and installing water level monitoring stakes in the water level at outlet area.

Based on the results of field visits in PT SWP's block B11, it was found that there was a water reservoir as a means of supporting land fire prevention.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

PT Adei Plantation & Industry and PT SWP have established and implemented water management based on the water management plan 2019 accordance HCV management plan and environmental management and monitoring document. This water management plan document is consisting of water source identification based on HCV assessment, water usage monitoring for the mill, water source protection, and wetland/peatland protection by water level maintenance. Based on the results of visits to KNB 2 housing, it is known that the company uses water sources from drilled wells for clean water needs for employees.

7.8.2

Procedures for watersheds and water sources protection has been established and listed on sustainability procedures no 22 & 16 on 2017. PT Adei and PT SWP shown identification and maps for water courses and wetlands included riparian on 1 : 70,000 scale. Water sources map and HCV identification shown the main watersheds on company areas are Telayap river on KNT 1 div 5 and Buluh river on (Ladang Mutiara & KKPA Sungau buluh).

Based on the results of visits to Sungai Telayap and Sungai Muka Pulau, it was found that the company had implemented management according to procedures, for example, a distance of 50 m from the right and left of the river was not carried out by replanting activities and was left in natural forested conditions.

Based on the results of interviews with the village of Batang Nilo Kecil, there were no issues of pollution from the village community. The village head and community leaders explained that the Batang Nilo small riverbank had planted fruit trees and were freed from oil palm trees

7.8.3 & 7.8.4

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

POME quality testing document review shown for January to March 2020 all of POME testing parameters are compliant to the standards quality (for examples BOD on March 2020 are 94 mg/l and pH 8.48), and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 months.

The procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in the piping system of WTP. According to water use data in the last period January to December 2019 average water used for processing still below the determined budget (1.5 m3/ton FFB while the budget is 1.9 m3/ton). The overall use of water under the budget of the company.

Status: Comply

7.9

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

7.9.1

The company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2019 NPOM 2 has produces 1,281,211.20 kWh of electricity from turbine, while electricity generated from diesel fuel 220,178.20 kWh. The efficiency renewable energy use per ton of palm product in the mill is 40.20 KWh / MT CPO, while result Direct fossil fuel used is 8.10 KWh / MT CPO.

Based on the results of visits to the boiler station, it is known that the company uses shells and fiber as boiler fuel and the results of visits to the engine station show that the company has a turbine engine to use water vapor pressure to become electricity.

Status: Comply

7.10

Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1

The company has identified pollutions and emissions sources of NPOM 2, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for estate are listed on the identification documents and management plans for pollution sources for the period 2019, such as: emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste and infectious waste.

Fossil fuel reducing on NPOM 2 have been implemented by fiber/shell usage for boiler. POM Waste water has been monitored every months and monitoring periods January to December 2019 shown that all of waste water testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator.

The calculation of GHG and its monitoring has conducted by EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for NPOM 2 and its supply base period 2019 are listed as follows :

Summary of Emission

Product	tCO ₂ e / tProduct
CPO	21.46
PK	21.46
PKO	0.00
PKE	0.00

Description	Unit	Value
Oil palm planted on mineral soil	Ha	1417.00
Oil palm planted area on peat	Ha	5258.00
Total oil palm planted area	Ha	6675.00
Conservation area (Forested)	Ha	244.00
Conservation area (Non-Forested)	Ha	0.00
FFB Production per hectare	t/ha	11.88
OER	%	21.03
KER	%	5.08

Mill Emissions and Credits

Description	tCO ₂	tCO ₂ e/t FFB
Emission Sources		
POME	18859.19	0.24
Fuel Consumption	511.08	0.01
Grid Electricity Utilization	0.00	0.00
Credits		
Export of Excess Electricity to Housing & Grid	0.00	0.00
Sale of PKS	0.00	0.00
Sale of EFB	0.00	0.00
Total	19370.27	0.24

Estate/Plantation field emissions and sinks

	Own			Group			3rd Party			
Description	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	Total
Emission Source										
Land Conversion	70111.58	12.86	1.50	12098.87	9.88	0.82	0.00	0.00	0.00	82210.45
CO ₂ Emissions from Fertilizer	1145.08	0.21	0.02	1348.89	1.10	0.09	0.00	0.00	0.00	2493.97
N ₂ O Emissions from Peat	30190.07	5.54	0.64	9170.06	7.49	0.62	0.00	0.00	0.00	39360.13

N2O Emissions from Fertilizer	1166.96	0.21	0.02	1113.45	0.91	0.08	0.00	0.00	0.00	2280.41
Fuel Consumption	312.32	0.06	0.01	102.60	0.08	0.01	0.00	0.00	0.00	414.92
Peat Oxidation	220201.79	40.40	4.70	66885.00	54.60	4.54	0.00	0.00	0.00	287086.79
Sinks										
Crop Sequestration	-45254.62	-8.30	-0.97	11468.12	-9.36	-0.78	0.00	0.00	0.00	-56722.74
Sequestration in Conservation Area	-1641.43	-0.30	-0.04	-596.05	-0.49	-0.04	0.00	0.00	0.00	-2237.48
Total	276231.75	50.68	5.90	78654.70	64.21	5.34	70100.48	0.00	0.00	424986.93

production	t/yr
FFB processed	79,322.00
CPO Produce	16,680
PK Produce	4,029
PKO	-

POME Treatment

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion

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

The cause of the increase in GHG emission from the previous period was the increase in the number of FFB suppliers in Nilo 1 POM

7.10.2 & 7.10.3

Until ASA-1.1 audit conducted, no new planting activities after 2014, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The planting years of 2015 and 2016 were replanting activities.

The company has identified pollutions and emissions sources of NPOM2 for the period 2020, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2019, such as emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste, and infectious waste. Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester II the year 2019. Based on the results of visits to the replanting area, it was found that the company used mechanical and non-burning methods

Fossil fuel reduction on NPOM2 have been implemented by fiber/shell usage for the boiler. POME has been monitored every month and monitoring periods from October to December 2019, shown that all of the POME testing parameters are compliant to the standards quality.

Status: Comply
7.11
Fire is not used for preparing land and is prevented in the managed area.

7.11.1,

There is no new land clearing and the planting activity is an activity of replanting oil palm plants. Based on the results of visits to the replanting area, it was found that the company used mechanical and non-burning methods. Base on observation at Replanting area block B17, it is known that replanting is carried out mechanically and there is no burning of land

7.11.2

The company has procedures related to fire prevention and control as well as emergency response which are listed in SOP No. 24 concerning Emergency and Land Fire response which was revised on August 10, 2017. In the fire emergency response points, buildings and land have included and explained the prohibition of burning; mapping of fire prone areas and water sources for suppression; firefighting team; firefighting equipment; fire siren; socialization; and monitoring.

The company has made efforts in providing fire control / suppression facilities and infrastructure for each work unit. Based on interviews with the Pelalawan Regency Plantation Office and field observations, it is known that the available fire control / prevention facilities and infrastructure have referred to the Regulation of the Minister of Agriculture of the Republic of Indonesia number 05 / permentan / kb.410 / 1/2018.

Based on the results of interviews with the Plantation Office and the Environmental Service Office of Pelalawan Regency, it was found that land fires had occurred in the company's area. The company also has a Fire Minutes No. 09/2019/01 dated September 7, 2019 which is located in the Company HGU area at KNB (*Kebun Nilo Bara*) 1, Division 2 Blok. The minutes have also been reported to related parties such as the Pelalawan Police on September 7, 2019.

The company has reported fire monitoring, namely Reporting on the PT Adei Fire Prevention, Control and Management Report for semester 2 of 2019 to the Plantation and Animal Husbandry Service; Environmental services; and the Regional Disaster Management Agency of Pelalawan Regency on 3 February 2020

Based on the results of hydrant simulations at Nilo POM 2, it is known that the firefighting equipment functions and has good water pressure and firefighters can simulate well.

7.11.3

The company routinely conducts fire emergency response simulation and training for its officers and workers. The last fire emergency response training and simulation carried out was on December 20-21, 2019, located at KNB 1 which was attended by all PT Adei (Nilo - Complex) firefighters. All the equipment that was checked was in good condition and could be used at any time if needed.

Based on the results of interviews with the Head of Teluk Makmur Village, it was found that the Company also formed an integrated team with the village community to handle and prevent land and forest fires.

Status: Comply

7.12

Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.

7.12.1, 7.12.8

Until ASA-1.1 audit conducted, no new planting activities above 15 November 2018, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The planting years of 2015 and 2016 were replanting activities.

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

2017.

PT Adei Nilo has sent the LUCA report and liability disclosure to RSPO on July 31, 2014 and on October 13, 2015, the RSPO via email stated that the KNB 1, KNB 2, and KNT 1 and KNT 2 had zero liability.

PT Safari Riau There is email from KLK (on February 15th 2018 to RSPO (khing.suli@rspo.org) regarding LUC Analysis. This email has been responded on February 23rd, 2018 from khing.suli@rspo.org. Based on that email, The RSPO secretariat has reviewed the case for PT Safari Riau and the supporting documents which you have sent to RSPO. Based on information provided by KLK, the clearance during 2007-2009 has been shown to be non-corporate clearance by the communities consulted (as per the report of the community consultation on January 5th, 2018) for livelihoods. In view of this, we agree to zero the liability for PT Safari Riau.

7.12.2

Certificate holder did not conduct new land clearing activities or development of operational areas after Nov 2018 and the existing HCV assessments remains valid. The HCV assessment in certification scope consist of:

- PT Safari Riau shown HCV assessment conducted on 2014 by RSPO approved assessor. Based on this HCV indentifications, indicates there is HCV presence i.e HCV 4.1 and HCV 1.4 attributes on Safari Riau estate, covered an area about 250.4 ha.
- PT SWP (ladang mutiara and KKPA sungai Buluh) shown HCV assessment conducted on 2011 by RSPO approved assessor. Based on this HCV indentifications, indicates there is no all HCV attribute presence on both ladang mutiara and KKPA sungai Buluh.
- PT ADEI (KNT 1 and KNT 2) showed HCV assessment conducted in October 2011 by RSPO Approved Assessor. The identification was carried out using the Revised HCV Toolkit Indonesia 2008 guide. HCV assessment has been carried out by involving stakeholders on October 14th, 2011. These indentifications indicate there is HCV 1.4 & HCV 4 presence on KNT 1 covered for 34 ha areas. All of indicates HCV areas was mapped by 1:70000 scale and this HCV indentifications covered all estates/mill operational areas including surrounding landscape and RTE species.

7.12.3

Base on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.

7.12.4

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

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

Based on the results of visits to Sungai Telayap and Sungai Muka Pulau, it was found that the company had implemented management according to procedures, for example, a distance of 50 m from the right and left of the river was not carried out by replanting activities and was left in natural forested conditions.

The company has established HCV management plan 2018-2020, and implemented it well. Regularly inspection (monthly basis) for examples on January 2020 record shown company has been monitored illegal hunting, wild species presence, and other illegal activities. All of records for monthly patrols on each estate are available and verified by auditors. For example patrols summary results for January February, March 2019 on KNT 1 found *burung madu sepah raja* (*Aethopyga siparaja*) and *kucing hutan* (*Felix Bengalensis*), meanwhile wild species trap is not presence. The result

of monitoring also reported to government institution every six month listed on RKL/RPL report. Based on the results of interviews with community leaders and the heads of Batang Nilo Kecil, Telayap and Kemang Villages, it was found that the community understood the conservation area and were prohibited from hunting from the signs installed by the company in the company's housing and road areas. Based on the results of visits to housing in KNB 2, it was found that the company had put up signs for protected species and prohibited hunting

Based on the results of interviews with the village of Batang Nilo Kecil, the village head and community leaders explained that the Batang Nilo kecil riverbank had planted fruit trees and were freed from oil palm trees

7.12.5

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

7.12.6,

Based on the results of interviews with community leaders and the heads of Batang Nilo Kecil, Telayap and Kemang Villages, it was found that the community understood the conservation area and were prohibited from hunting from the signs installed by the company in the company's housing and road areas. Based on the results of visits to housing in KNB 2, it was found that the company had put up signs for protected species and prohibited hunting.

Evidence for workforce educations related to RTE species are available and verified by auditors' team, for examples on 21 January 2020 for KNT1 and KNT2 workers and for PT SWP workers was conducted on 12 December 2019.

7.12.7

The company has established HCV management plan 2018-2020, and implemented it well. Regularly inspection (monthly basis) for examples on January 2020 record shown company has been monitored illegal hunting, wild species presence, and other illegal activities. All of records for monthly patrols on each estate are available and verified by auditors. For example, patrols summary results for January February, March 2019 on KNT 1 found *burung madu sepah raja* (*Aethopyga siparaja*) and *kucing hutan* (*Felix Bengalensis*), meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six-month listed on RKL/RPL report.

Meanwhile for HCV are enrichment or species habitat enhancement, the company also has conduct revegetation for examples on Telayap riparian with pulai trees or *Alstonia scholaris* and bamboo during 2018-2019. Company has evaluated the monitoring result of HCV areas for 2019, as the results of monitoring 2019 output, company has plan feed back into the management plan 2020 for examples painting and renewing HCV signboard on each HCV areas on PT ADEI and PT SWP.

Telayap river, Muka Pulau river and Batang Nilo Kecil river has HCV 4 value as protection of water catchments and control of erosion of vulnerable soils and slopes. Based on the results of visits to the Telayap River, it was found that the company had implemented management according to procedures, for example, a distance of 50 m from the right and left of the river was not carried out by replanting activities and was left in natural forest conditions.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and Trademark from Certification Body which submitted by Client	X or√
ASA 1.1	PT Adei Plantation & Industry do not use trademark. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
2.	Implementation of certificate and Trademark used by Client comply with size and type (shape) against Guideline of Trademark Use	X or√
ASA 1.1	Nilo POM 2 and supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA 1.1	Nilo POM 2 and supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate Trademark.	X or√
ASA 1.1	Nilo POM 2 and supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	

3.3 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 July 2020.

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Positive assurance statement provided, which does include the new mill found in the revised time bound plan.</p> <p>Auditor verification There are internal audit that has been conducted for management units of PT Anugrah Jaya Mandiri, PT Putra Bongan Jaya, PT Bumi Makmur Sejahtera Jaya, PT Menteng Jaya Sawit Perdana, Butaw and Palm Bay.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>The company has conducted HCV assessment for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. Related to the new mills and newly acquired land are waiting for the concept plan to be approved.</p> <p>Auditor verification Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided. The uncertified that follow RaCP is PT Menteng Jaya Sawit Perdana. For others uncertified unit, known that there is no new planting .</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV

		<p>assessment was conducted prior to development. There is new planting after Jan 2010 in PT PBJ which prior owned by other company. The NPP submission was not submitted by the previous owner, however HCV assessment was conducted prior to development.</p> <p>Auditor verification There is new planting after 2010 in PT Putra Bonga Jaya and this is uncertified unit will follow sanction. For the other uncertified unit, there is no new planting after 1 January 2010.</p>
2.1.4	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.	<p>SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.</p> <p>Auditor verification The company has procedure to resolve the land conflict which has explain that problem solving of conflict area.</p> <p>There is evidence of documented land dispute resolution for the uncertified units. No issue that obtain by web search.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There are few uncertified unit which not yet obtain the HGU consist of PT Bumi Makmur Sejahtera Jaya, PT Menteng Jaya Sawit Perdana and PT Putra Bonga Jaya for 4,460 Ha.</p>

3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.4.1. Identification of Findings, Corrective Actions and Observations at Recertification

NCR No.	: 2019.01	Issued by	: Andi Pratama P			
Date Issued	: 26 Maret 2019	Time Limit	: Next Surveillance			
NC Grade	: Minor	Date of Closing	: 10 June 2020			
Standard Ref. & Requirement	6.1.4 The documented plan for management and monitoring of social impacts is reviewed at least once every two years. If needed, the plan should be corrected. There must be evidence that the review process involves the participation of all affected parties.					
Evidence observed (filled by auditor): Based on the results of document studies and interviews with PT Adei Plantation & Industry union officials it is known that there were cases of industrial relations disputes between the company and employees in 2018 and there were still unresolved disputes. But the results of the evaluation of the management plan and monitoring of social affairs in 2019 have not covered the issue. Based on the results of the SIA document review of PT Adei Plantation & Industry, it was found that there were 6 villages which were the scope of the study: Telayap Village, Batang Nilo Kecil, Sering, kemang, Palas and Sungai Buluh. However, in evaluating the management plan and monitoring social affairs in 2019 there were only 5 villages that became the scope of the evaluation study, and for the Village it was often not implemented.						
Non-Conformance Description (filled by auditor): The company has not been able to show evidence that the 2-year evaluation of the management plan and monitor social has covered all issues of social internal / external and carried out in a participatory manner from all affected parties.						
Root Cause Analysis (filled by organization audited): The misunderstanding of the officer in charge of reporting the SIA program.						
Correction (filled by organization audited): Identifying and monitoring all affected villages and included Sering village SIA monitoring results.						
Corrective Action (filled by organization audited): Monitor and management of SIA implementation report accordance with plan which has been determined						
Assessor Evaluation and Conclusion (filled by auditor): Verification Auditor ASA 1.1 10 June 2020 The company shown the evidence consists of: <ul style="list-style-type: none"> - The document for cases of industrial relations disputes between the company and employees in 2018 and the case resolved within in involving the government Labor agency (department industrial relations disputes). The case has described on SIA management and monitoring program on 2019. - The evaluating the management plan and monitoring social affairs in 2019 included Telayap Village, Batang Nilo Kecil, Sering, kemang, Palas and Sungai Buluh. There is a questionnaire for Sering village evidence often that the SIA has been monitored and evaluated on 2019. 						

Based on evidence above, analysis of the root cause and the corrective action shown, the nonconformity can be stated as closed.

<i>Verified by</i>	:	Radytio Puspanjana
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3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1.1 Assessment

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

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	3.3.3	<p>Based on the field observation to one of the KKPA SP2 harvesting blocks, it was found that harvesters were assisted by family members and the worker also brought a child. Based on the interview, information was obtained that the person concerned was not the owner of the land but the person assigned to guard and managed the area.</p> <p>This is reinforced by a statement letter from the owner of the plot that a harvester is a person who is paid by the land owner to care for the lots as well as to harvest. In addition, there is a domicile certificate from the head of neighborhoods 18 and the head of community 06, Pelalawan District, which states that the workers who take care of the 146 lots are residents who live on KKPA - SP2 land and work on community lands in partnership.</p> <p>The results of document verification and confirmation with the head of the Teluk Makmur KUD revealed that the management of the plots is the authority of each farmer with the KUD as the coordinator of the activity. So that the supervision of the land owner is limited to the coordination line. It has been shown that the documentation proves that the company as the supervisor of the KUD socializes the prohibition of bringing children to work, for example on May 12 2020 and August 28, 2020 to the SP2 Farmer Group. The head of the KUD also stated that so far he had informed all members about the prohibition of bringing children to work.</p> <p>Thus the company has the opportunity to evaluate the effectiveness of communication with smallholders and ensure that the advice and socialization that has been given, especially regarding the prohibition of bringing children to workplaces, is conveyed and obeyed by smallholder farmers as a form of commitment from RSPO certified FFB suppliers</p>
2	3.6.1	<p>based on the explanation from the management representative, it is known that the SOP of smallholder is the main estate SOP. In SOP 18 dated August 10, 2017 regarding the Safety of Use and Storage of chemicals including Hydrocarbons, among others, it states that all PPE is cleaned and stored in a special warehouse every time it is used (not allowed to go home)</p> <p>During a field visit to the KUD Teluk Makmur office, it was discovered that the PPE spraying storage area was still under construction so that the PPE storage was still located in the main estate. Thus the company has the opportunity to continue to provide assistance and support for KUD Teluk Makmur KKPA-SP2 to be able to realize and provide chemical storage facilities including PPE storage and spraying equipment storage</p>
3	6.7.3	<p>The company also provides sanitation facilities for workers who use pesticides in the form of rinse houses. The rinse house is equipped with clean water facilities, changing rooms, a place to store PPE, and a place for washing knapsack. Based on the results of field visits to the KNB2 rinse house, the Ladang Mutiara Estate rinse house, and the KNT2 rinse house, it is known that the provision of the rinse house has been utilized according to its function. The results of the interview with the KNB spraying team found that every worker left clean from pesticides and returned clean</p> <p>However based on field visit to the KUD Teluk Makmur office (farmer KKPA-SP 2), since August 2019 the overall management of smallholder including provision of rinse houses, PPE storage and chemical storage has been fully managed by farmers and KUD. At the time of the ASA-1.1 assessment, the construction of a rinse house and a chemical storage warehouse for the KKPA-SP2 KUD Teluk Makmur was still in process. Information obtained from KUD representatives and company representatives is known that for the time being the smallholder pesticide applicator rinse house is still located at Ladang Mutiara Estate (main estate).</p>

		Thus the company has the opportunity to continue to provide assistance and support for KUD Teluk Makmur KKPASP2 to be able to realize and provide sanitation facilities for workers / farmers who use pesticides
4	7.7.6	<p>The results of document verification and interviews with the company revealed that in the NILO Complex area there were 36 units subsidized pole consisting of 21 units for PT Adei Plantation & industry, 12 units for PT Safari Riau, 2 units for PT SWP and 1 unit for KKPA. The results of document verification show that the area of peat planted in the NILO Complex is $\pm 17,497.4$ ha, so the ratio is 1 stake representing an area of 486 ha.</p> <p>Meanwhile in the RSPO Manual on BMPs For Existing Oil Palm Cultivation on Peat, it is explained that "A subsidence pole should be installed at a minimum rate of at least one and preferably two (for control) in every 240 ha of an estate (in representative locations) ".</p> <p>Based on the explanation above, the company has the opportunity to improve the performance of peatland management by adjusting the number of subsidence stakes according to the recommendations in the RSPO Manual on BMPs For Existing Oil Palm Cultivation on Peat.</p> <p>Based on the results of field visits to the estate sample, it is known that subsidence markers and piezometer are available as part of one of the peatland management. The results of the field visit also revealed that the subsidence stakes and the piezometer were not provided with a protective fence, so there was potential for interference that could cause the measurement results to be inaccurate or damage to the equipment. In this regard, the company has the opportunity to develop protection for monitoring tools for measuring peat.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	The company commitment to implement the principles of sustainable palm oil management.
2	Personal competence in their respective fields.
3	Have cooperation partnership of plasma with surrounding community.



3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Labor and Manpower Agency</p> <p>Based on the results of interviews with the Manpower Office of Pelalawan Regency, Riau, it is known that mandatory reports such as compulsory P2k3 reports (<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i>/Occupational Safety and Health Advisory Committee), WLTk (<i>Wajib Laporkan Tenaga Kerja</i>/Mandatory Reporting of Workers), work accidents have become the domain of the Provincial Manpower Office and have been reported regularly and the Pelalawan Manpower Office has received a copy. Regarding the registration of BPJS (<i>Badan Penyelenggara Jaminan Sosial</i>/worker insurance), the Manpower Office explained that all employees have been registered. Likewise, the contractor has been informed to the Manpower Office (registered).</p> <p>Disnaker also explained that there were no issues related to labor issues, child labor and discrimination (no reports / complaints were received by Manpower Office). The Manpower Office is also routinely involved by companies in training activities related to employment (before the Covid-19 pandemic). Workers unions and Bipartite Institutions in the company have been registered with the Manpower Office.</p> <p>Regarding wages, Disnaker explained that the company refers to the UMSP (<i>Upah Minimum Sektor Perkebunan</i>/Minimum Wage for the Plantation Sector) whose value is above the UMP (<i>Upah Minimum Propinsi</i>/provincial minimum wage) / UMK (<i>Upah Minimum Kabupaten</i>/Regency Minimum Wage). Regarding requests for information, the Disnaker representative explained that the company always responded to it whenever there was a request for information from the company.</p>	<p>There are no issues that need to be further verified.</p>
<p>Plantation office, Pelalawan district</p> <p>Based on the results of the 2019 plantation ranking assessment, it was found that PT Adei was ranked 1st, PT Steelindo Wahana Perkasa was ranked 2nd, PT Safari Riau was ranked 2. Currently the company is facing a land fire case in 2019 in court still in process in court, because there are less than 2 monitoring towers and there is a fire area of approximately 4 hectares in PT Adei. The company has carried out the 20 percent obligation for Scheme Smallholder, and it is doing well. There are no land disputes in the company and communication between the agency and the company is going well</p>	<p>Regarding the land fire incident at PT Adei, the company has shown evidence of an investigation into the fire incident and the repairs that have been made by the company</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Environment Agency, Pelalawan district For PT Adei, PT Safari Riau and PT Steelindo Wahana Perkasa already have Hazardous Waste Storage Permits, and for other environmental permits that are still valid, at PT Adei in 2019 there is a land fire issue and is still in the trial process, for PT Steelindo Wahana Perkasa and for PT Safari Riau there are no environmental issues. The company has carried out periodic mandatory reports such as RKL and RPL reports, hazardous waste and POME reports. In addition, communication between agencies and companies is going well	Regarding the land fire incident at PT Adei, the company has shown evidence of an investigation into the fire incident and the repairs that have been made by the company
Teluk Makmur Cooperative Since August 2019 the Cooperative has independently managed all operational activities both in mature upkeep, harvesting, and plant protection against pests, diseases and weeds. The cooperative has sent FFB to NPOM2. FFB payments are in accordance with the FFB price setting issued by the Plantation Office. Information on FFB pricing is always submitted once a week to the management of the cooperative. FFB payments are paid on time	In general, there were no negative issues raised by the cooperative management. The company plays a very important role in fostering cooperatives, including fostering smallholders
Teluk Makmur Village The existence of the company has had a very positive impact on the surrounding community, especially regarding the opening of road access, employment, and the realization of plasma plantations. So far the company has also routinely provided social assistance such as ied adha, nutritional assistance during the covid-19 pandemic, construction of sports facilities, and construction of of worship.	In general, there were no negative issues raised by the representatives of Teluk Makmur Village. The impact of the company's existence felt by the community was positive.
Batang Nilo Kecil Village Based on the results of interviews with community leaders and village heads, it was found that the company provided assistance related to village road repairs, animal assistance for Eid al-Adha activities, educational assistance In addition, the village head also conveyed that related to the problem, there were claims by the indigenous people that there was a Sialang plantation covering an area of 9.6 ha and a grave area of 0.5 ha which was in the PT Adei plantation area. There have been meetings between the company and indigenous peoples in 2019 but there has been no response from the company.	Regarding the existence there were claims by the indigenous people that there was a Sialang plantation covering an area of 9.6 ha and a grave area of 0.5 ha which was in the PT Adei plantation area. The company has demonstrated the negotiation process and has been verified in the land dispute indicator

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Kemang Village</p> <p>Based on the results of interviews with village community leaders in Kemang Village, it was found that PT Adei had released the area with compensation and had carried out socialization activities before compensation was implemented. Payment is carried out in accordance with the agreement and there is no coercion. The initial compensation was carried out in 1991 and for the Kemang village area, the company had paid compensation. The implementation of compensation involved village officials, the sub-district head and the Pelalawan Regency Land Office</p>	<p>There are no issues that need to be further verified, the company has demonstrated the land compensation process according to the procedure.</p>
<p>Telayap Village</p> <p>The results of the interview with the inner head (the customary head) in Telayap village revealed that the company had built plasma, but in 2014 the plasma block A, block B and block C had been managed independently by the village community. The aspiration of the youth leader who attended the public consultation was to ask for assistance, for example if there is a request for repair of a soccer field, road services so that the company will respond to it.</p> <p>There is a problem with the claims of the indigenous people in Telayap village, namely that there is a 9.6 ha Sialang plantation and a 0.5 ha cemetery located in the PT Adei plantation area. There have been meetings between the company and indigenous peoples in 2019 but there has been no response from the company.</p>	<p>Regarding the existence there were claims by the indigenous people that there was a Sialang plantation covering an area of 9.6 ha and a grave area of 0.5 ha which was in the PT Adei plantation area. The company has demonstrated the negotiation process and has been verified in the land dispute indicator</p>
<p>Safari Mandiri employee cooperative (Safari Riau Estate)</p> <p>Based on the results of interviews, it is known that up to now the cooperative is still active in the business of providing basic foodstuffs for employees. To date, 42 employees have become members of the employee cooperative. Until now there has been no change of management and each member is subject to a mandatory fee of Rp. 15,000.</p>	<p>There are no issues that need to be further verified. The company supports the existence of employee cooperatives</p>
<p>PKU KSBSI – FKUI Safari Riau</p> <p>Based on the results of the interview, it was found that the FKUI labor union in Safari Riau Estate had 20 members with a monthly fee of Rp. 15,000. During 2019 to 2020 there were no cases of layoffs against employees. FKUI helps communication with management if there are problems between employees and management. Trade unions have also been involved in the preparation of the CLA. So far, the employee's relationship with the company is going well</p>	<p>There are no issues that need to be further verified. During 2019 to 2020 there were no cases of layoffs against employees</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>PKU KSBSI – FKUI Nilo 2</p> <p>Based on the results of the interview, it was found that the FKUI labor union in Nilo 2 had 200 members with a monthly fee of Rp. 10,000. During 2019 to 2020 there were no cases of layoffs against employees. FKUI helps communication with management if there are problems between employees and management. Trade unions have also been involved in the preparation of the CLA. So far, the employee's relationship with the company is going well</p>	<p>There are no issues that need to be further verified. During 2019 to 2020 there were no cases of layoffs against employees</p>
<p>Contractor (PT INDOTAMA JAYA MAS & PT Nadia Walfiona Jaya)</p> <p>The company has been routine in providing socialization regarding work standards. In addition, the OHS aspect and other employment obligations have also been conveyed</p> <p>Payments are made on time in accordance with the agreed agreement. Even if there is a pure deduction due to work that is not according to specifications. Health and Work insurance have been included.</p>	<p>In general there are no negative issues or problems in terms of cooperation with contractors</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Adei Plantation & Industry Management Representative</p>  <p>Indra Gunawan 02 September 2020</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Moh Arif Yusni 02 September 2020</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	District of Pelalawan		Interview by phone	25 August 2020	✓	
2	Environment Agency	District of Pelalawan		Interview by phone	25 August 2020	✓	
3	Labor and Manpower Agency	District of Pelalawan		Interview by phone	25 August 2020	✓	
4	Batang Nilo Kecil Village	District of Pelalawan		Interview	28 August 2020	✓	
5	Kemang Village	District of Pelalawan		Interview	28 August 2020	✓	
6	Telayap Village	District of Pelalawan		Interview	28 August 2020	✓	
7	Teluk Makmur Cooperative	Teluk Makmur Village		Direct Interview	27 August 2020	✓	
8	Teluk Makmur Village Representative	Teluk Makmur Village		Direct Interview	27 August 2020	✓	
9	KKPA SP-2 - 3 Harvester - 1 Supervisor	Teluk Makmur Village		Direct Interview	27 August 2020	✓	
10	KNB – 2 - Circle and Path Spraying ; 3 Worker and 1 supervisor - Harvesting : 1 worker and 1 supervisor - Nursery : 27 worker and 2 supervisor - Peat Management' 1 Supervisor - Fertilizer, material, pesticide warehouse : 1 Supervisor - Hazardous Waste storage 1 Foreman - Rinse House 1 Foreman - Clinic 1 clinic staff	District of Pelalawan		Direct Interview	28 August 2020	✓	
11	Nilo POM2 - 1 weighbridge operator - 1 administration staff - 1 person in workshop - 1 person WTP - 1 person WWTP - 2 security - 5 process operator - Sortation and Grading: 2	District of Pelalawan		Direct Interview	29 August 2020	✓	

	worker - Sterilizer: 1 Worker - Boiler: 1 Worker - Engine Room: 1 Worker - Press: 1 Worker						
12	KNT - Racking : 5 worker and 1 supervisor - Harvesting : 2 worker and 1 supervisor - Manuring : 8 worer and 1 supervisor - P & D Spraying 5 worker and 1 supervisor - FFB transporting' 2 worker	District of Pelalawan		Direct Interview	29 August 2020	✓	
13	PT SWP - 1 person Supervisors - Harvesting 5 workers and 1 foreman - Circle and path spraying 2 worker and 1 foreman - Circle raking manual 2 workers and 1 foreman	Pelalawan Distric		Interview	27 August 2020	✓	
14	Safari Riau - 1 person in Hazardous waste storage - 1 person Supervisors - Harvesting - 2 workers and 1 Foreman - Circle and path spraying workers and 1 foreman - Manuring - 2 worker and 2 Foreman - 2 FFB transporting worker and 1 FFB Clerk - Daycare - 2 workers	Pelalawan Distric		Interview	31 August 2020	✓	
15	PKU KSBSI – FKUI Nilo 2	Pelalawan Distric		Interview	29 August 2020	✓	
17	PKU KSBSI – FKUI Safari Riau	Pelalawan Distric		Interview	31 August 2020	✓	
18	PKU KSBSI – FKUI Nilo 1	Pelalawan Distric		Interview	29 August 2020	✓	
19	Gender Commitee	Pelalawan Distric		Interview	29 August 2020	✓	
20	Sawit Watch	Jakarta	info@sa-witwatch.or.id	Questionnaire via email	20 August 2020		✓
	WALHI	Jakarta	info@walhi.or.id	Questionnaire via email	20 August 2020		✓

22	AMAN	Jakarta	rumahaman@cbd.bn.net.id	Questionnaire via email	20 August 2020		✓
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Appendix 2. Assessment Program
1. REMOTE AUDIT

DATE	08 – 11 June 2020 (REMOTE AUDIT)	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 08 June 2020		
08.30 – 09.00	Opening meeting	All Auditor
	<ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	
09.00 – 12.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification 	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"> Break 	All Auditor
14.00 – 16.15	<ul style="list-style-type: none"> Document review and completing audit checklist. 	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> Presentation of Daily Progress. 	
Tuesday, 09 June 2020		
08.30 – 12.00	Document review and completing audit checklist.	All Auditor
12.00 – 15.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
15.00 – 16.00	Closing Meeting: <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions 	All Auditor

2. ONSITE AUDIT

DATE	24 August – 02 September 2020 (Onsite)	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 24 August 2020		
10.00 – 11.50	JAKARTA → Pekanbaru	All Auditor
12.00 – 15.00	Swab Test in Pekanbaru	
	Stay in Pekanbaru for quarantine	
Tuesday, 25 August 2020		
08.30 – 09.30	AUDITOR IN PEKANBARU FOR QUARANTINE Opening meeting (recorded video conference) <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	All Auditor
09.30 – 12.00	Public consultation with stakeholder to relevant agency in Pelalawan Regency (by Phone)	All Auditor
09.30 – 12.00	<ul style="list-style-type: none">Document review and completing audit checklist.Verification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial Certification	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 16.15	Document review and completing audit checklist.	All Auditor
16.15 – 17.00	Presentation of Daily Progress.	
Wednesday, 26 August 2020		
08.00 – 11.00	AUDITOR IN PEKANBARU FOR QUARANTINE <ul style="list-style-type: none">Document review and completing audit checklist..	All Auditor
12.00 – 14.00	<ul style="list-style-type: none">Break	All Auditor
14.00 – 16.15	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
16.15 – 17.00	<ul style="list-style-type: none">Presentation of Daily Progress.	
Thursday, 27 Auguts 2020		
08.00 – 12.00	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
12.00 – 16.00	Pekanbaru → PT ADEI PLANTATION & INDUSTRY (NILO COMPLEX)	All Auditor
Friday, 28 Auguts 2020		
08.00 – 12.00	Field Observation to Ladang Mutiara Estate & KKPA SP2 Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries);Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)Implementation of Occupational Health & Safety AspectImplementation of Employment Procedure and Mechanism AspectObservation of Workers Facilities (Housing, School, Worship Place). Stakeholder consultation to affected communities surrounding the plantations and previous land owner	All Auditor
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none">Verification of stakeholder consultation result and field visit.Document review and completing audit checklist.	
Saturday, 29 August 2020		
08.00 – 12.00	Interview with Gender Committee, Worker’s Union, Worker’s Cooperative (if any), Local	All Auditor

DATE	24 August – 02 September 2020 (Onsite)	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Contractor (for Mill and Estate), Third Party Supplier Field observation to NILO POM 2: <ul style="list-style-type: none"> - Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) - Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) - Implementation of Employment Procedure and Mechanism Aspect 	
12.00 -	Break, Report Finalized	
Sunday, 30 August 2020		
	Break, Report Finalized	
Monday 30 August 2020		
08.00 – 12.00	Field Observation to Nilo Timur 2 Estate & Safari Riau <i>Aspect to be verified :</i> <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect 	MAY / HRK / YPN
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	
		All Auditor
Tuesday, 01 September 2020		
	Field Observation to Nilo Barat 1 Estate & Nilo Barat 2 Estate <i>Aspect to be verified :</i> <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect 	
14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	
		All Auditor
Wednesday, 02 September 2020		
08.00 – 09.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
09.00 – 10.00	Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ • Comments, Responses and Questions 	
11.00 – 14.30	PT ADEI PLANTATION & INDUSTRY (NILO COMPLEX) – Pekanbaru	
15.30 –	Pekanbaru - Jakarta	