

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

**[ ✓ ] Re-Certification**

Name of Management : Mandau Palm Oil Mill, PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Berhad  
 Organisation :  
 Plantation Name : PT Adei Plantation & Industry: Kebun Mandau Utara and Kebun Mandau Selatan  
 Location : Village of Tenganau, Sub District of Pinggir, District of Bengkalis, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/021**  
 Date of Initial Registration : 19 October 2017  
 Date of Last Issue : 31 October 2022                      Date of License Issue : 19 November 2022  
 Date of Certificate Expiry : 18 October 2027                      Date of License Expiry : 18 October 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	12 – 17 September 2022	Briyogi Shadiwa (Lead Auditor), Rindu Galih Rezza Rachmansyah, Erika Lucitawati, Ririn Sipayung	Harso Yuli Antena	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	31 October 2022

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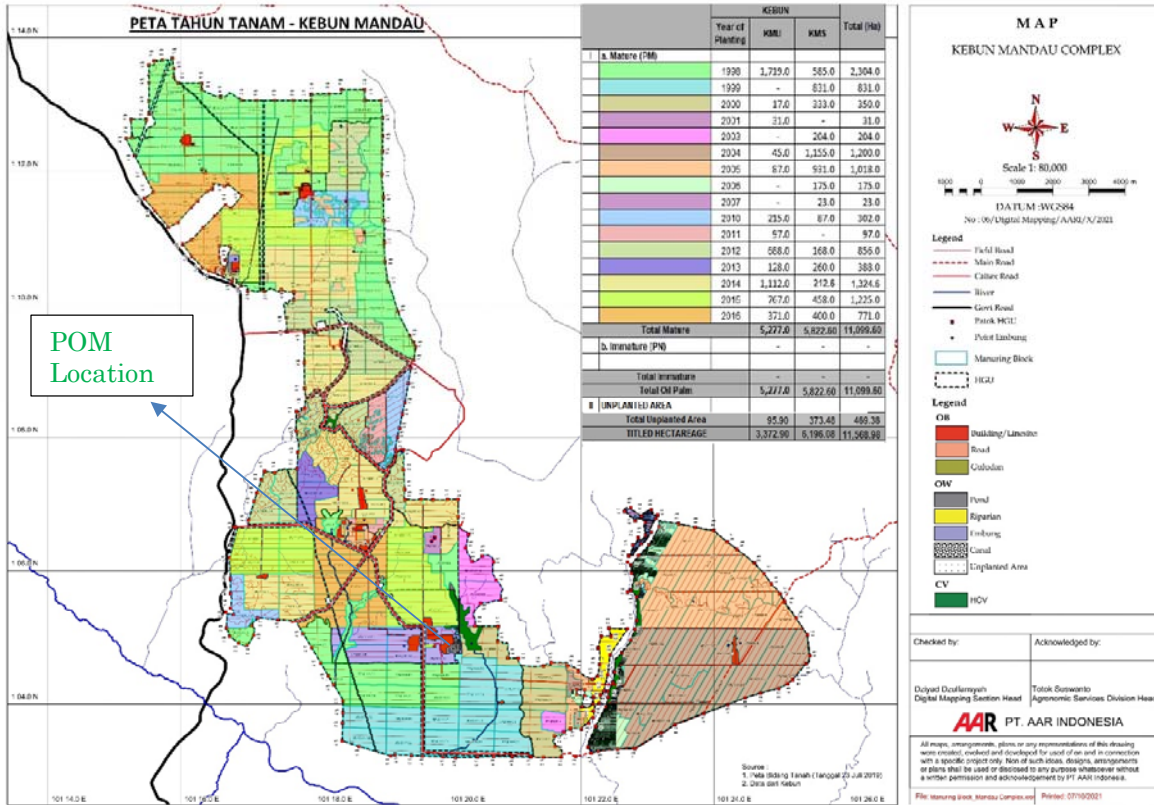
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Figure 1. Location Map of PT Adei Plantation & Industry



Figure 2. Operational Map of PT Adei Plantation & Industry



**Abbreviations Used**

AARI	:	Applied Agricultural Resources Indonesia
AMDAL	:	Environmental Impact Assessment
ASA	:	Annual Surveillance Assessment
BMP	:	Best management practices
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
BPJS TK	:	<i>Badan Penyelenggara Jaminan Sosial Ketenagakerjaan</i>
BPN	:	<i>Badan Pertanahan Nasional</i>
CPO	:	Crude palm oil
CSR	:	Company Social Responsibility
DSS	:	<i>Daerah Sempadan Sungai</i> (Riparian)
EIA	:	Environmental impact assessment
EWS	:	Early Warning System
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed, and Consent
GHG	:	Greenhouse Gases
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRADC	:	Hazard Identification Risk Assessment and Determining Control
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISPO	:	Indonesia Sustainable Palm Oil
KARHUTLA	:	<i>Kebakaran Hutan dan Lahan</i> (Forest and Land Fires)
KKPA	:	<i>Kredit Koperasi Primer Anggota</i>
KLK	:	Kuala Lumpur Kepong
KM	:	Kebun Mandau
KMS	:	Kebun Mandau Selatan
KMU	:	Kebun Mandau Utara
KWH	:	Kilowatt Hour
LUCA	:	Land Use Change Analysis
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i>
MB	:	Mass Balance
MKCP	:	Mandau Kernel Crushing Plan
MPOM	:	Mandau Palm Oli Mill
MSDS	:	Material Safety Data Sheets
OER	:	Oil extraction rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia pembina Keselamatan Kesehatan Kerja</i>
PBB	:	<i>Pajak Bumi dan Bangunan</i> (Land and Property Tax)
Permenaker	:	<i>Peraturan Menteri Tenaga Kerja</i> (Minister of labor regulation)
PK	:	Palm Kernel
POM	:	Palm oil mill

POME	:	Palm oil mill effluent
PPE	:	Personal Protective Equipment
PPH	:	<i>Pajak Penghasilan</i> (Income Tax)
PPN	:	<i>Pajak Pertambahan Nilai</i> (Value-added tax)
PSR	:	<i>Program Peremajaan Sawit Rakyat</i> (Communities Palm Oil Replanting Program)
PR	:	Public Relations
RKL-RPL	:	<i>Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SBRI	:	<i>Serikat Buruh Riau Independen</i> (Riau Independent Labor Unions)
SCCS	:	Supply chain certification system
SIA	:	Sosial Impact Assessment
SIMPEL	:	<i>Sistem Informasi Pelaporan Elektronik</i> (Direct Procurement Management Information System)
SLO	:	<i>Surat Layak Operasional</i> (Operational Eligibility Certificate)
SOP	:	Standard Operating Procedure
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i> (Indonesia Labor Unions)
TPA	:	<i>Tempat Penitipan Anak</i> (Day-care)
TPS	:	<i>Tempat Penyimpanan Sementara</i> (Temporary storage area)
WTP	:	Water Treatment Plan
WWTP	:	Wastewater Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification System for Principles and Criteria, 12 November 2020.</li> </ul>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Organization name listed in the certificate	PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Berhad	
1.2.2	Contact person	Jason Foong	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li><b>RSPO registered company:</b> Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak, Malaysia</li> <li><b>Indonesia Liaison office:</b> Kompleks Pertokoan Taman Anggrek Blok B2 - B5, Jl. Tuanku Tambusai, Pekanbaru – Riau.</li> </ul>	
1.2.4	Telephone	+62-761-571885	
1.2.5	Fax	+62-761-571862	
1.2.6	E-mail	jason.foong@klk.com.my	
1.2.7	Web page address	<a href="http://www.klk.com.my">www.klk.com.my</a>	
1.2.8	Management Representative who completed the application for certification	Jason Foong	
1.2.9	Registered as RSPO member	1-0014-04-000-00, 18 <sup>th</sup> October 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply bases: Mandau Palm Oil Mill and 2 estates (Kebun Mandau Utara (KMU) and Kebun Mandau Selatan (KMS).	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Mandau	Jl. Raya Pekanbaru - Duri KM 101, Tenggana Village, Pinggir Sub-District, Bengkalis District, Riau Province, Indonesia	N 01° 04' 55.56"      E 101° 20' 1.06"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Kebun Mandau	Jl. Raya Pekanbaru - Duri KM 110,	N 01° 11' 38.58"      E 101° 17' 47.50"

Utara	Semunai Village, Pinggir Sub-District, Bengkalis District, Riau Province, Indonesia			
Kebun Mandau Selatan	Jl. Raya Pekanbaru - Duri KM 101 Simpang Intan, Muara Basung Village, Pinggir Sub-District, Bengkalis District, Riau Province, Indonesia	N 01° 06' 37.26"	E 101° 18' 36.39"	
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State	11,568.98	Ha	
	• Community	-	Ha	
1.5.2	<b>Area Statement</b>			
	• Total area	11,568.98	Ha	
	• Mature area	11,099.60	Ha	
	• Roads	109.30	Ha	
	• Emplacement / Infrastructure/ Mill / pond	113.50	Ha	
	• Swamp	85.28	Ha	
	• Riparian	20.80	Ha	
	• Ponds	22.90	Ha	
	• Effluent Ponds	10.90	Ha	
	• Canal	5.60	Ha	
	• Unplanted Area	2.60	Ha	
	• HCV	98.50	Ha	
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>		
		<b>Kebun Mandau Utara</b>	<b>Kebun Mandau Selatan</b>	<b>Total</b>
	1998	1,719.00	585.00	2,304.00
	1999	-	831.00	831.00
	2000	17.00	333.00	350.00
	2001	31.00	-	31.00
	2003	45.00	204.00	249.00
	2004	87.00	1,155.00	1,242.00
	2005	-	931.00	931.00
	2006	-	175.00	175.00
	2007	215.00	23.00	238.00
	2010	97.00	87.00	184.00
	2011	688.00	-	688.00
	2012	128.00	168.00	296.00



	2013		1,112.00	260.00	1,372.00		
	2014		767.00	212.60	979.60		
	2015		371.00	458.00	829.00		
	2016		-	400.00	400.00		
	<b>TOTAL</b>		<b>5,277.00</b>	<b>5,822.60</b>	<b>11,099.60</b>		
	*Planting Year 2019 is infilling not New Planting						
1.6.2	New Planting area after January 2010		-	-	Ha		
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Mandau	80	287,662.40	62,880.61	21.86	11,477.90	3.99
	*Production data source from 12 months before assessment (Sep 21 – Aug 22)						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/ year)</b>	<b>Yield (tonnes/ha/ year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Mandau Utara	5,372.90	5,277.00	140,156.52	26.56	140,156.52	100
	Mandau Selatan	6,196.08	5,822.60	147,848.73	25.39	147,848.73	100
	<b>TOTAL</b>	<b>11,568.98</b>	<b>11,099.60</b>	<b>288,005.25</b>	<b>25.95</b>	<b>288,005.25</b>	<b>100</b>
	*Production data source from 12 months before assessment (Sep 21 – Aug 22)						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation</b>	<b>Type of Organisation</b>	<b>Number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (tonnes/year)</b>		
	-	-	-	-	-		
	<b>TOTAL</b>						<b>-</b>
	*Production data source from 12 months before assessment (Sep 21 – Aug 22)						
1.7.4	Product categories			<b>FFB, CPO, PK</b>			
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (Jan 2020 – March 2022) (MT)		
	• FFB Process IP		275,000		287,662.40		
	• FFB Process MB		30,000		-		
	• CPO Production IP		66,000		62,880.61		
	• CPO Production MB		7,200		-		
	• Palm Kernel (PK) Production IP		12,375		11,477.90		

	<ul style="list-style-type: none"> <li>Palm Kernel (PK) Production MB</li> </ul>	1,350	-																																						
1.8.2	Product selling																																								
	Tonnage of selling product	Actual selling product for last year (Sep 2021 – Aug 2022) (MT)																																							
	<ul style="list-style-type: none"> <li>CSPO sold as RSPO certified product</li> </ul>		5,451.82																																						
	<ul style="list-style-type: none"> <li>CSPK sold as RSPO certified product</li> </ul>		11,355.31																																						
	<ul style="list-style-type: none"> <li>CSPO sold under other scheme</li> </ul>		54,964.51																																						
	<ul style="list-style-type: none"> <li>CSPK sold under other scheme</li> </ul>		-																																						
	<ul style="list-style-type: none"> <li>CSPO sold as conventional</li> </ul>		-																																						
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1.8.3	Estimate of Certified FFB Claim																																								
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	ISO 9001:2015	-																																							
	ISO 14001: 2015	-																																							
	ISO 45001:2015	-																																							
	ISCC	EU-ISCC-Cert-ID215-23220434, 4 May 2022 – 3 May 2023.																																							
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PBJ POM	Putra Bongan Jaya	Kutai Barat, Kalimantan Timur	11,602	2022	Uncertified
MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah	9,056	2019	Certified
	Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	2,384	2023	-
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
	Bumi Makmur Sejahtera Jaya		364	2023	Uncertified
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 1	-	Pelalawan, Riau	-	2024	Uncertified
Nilo POM 2	Nilo Timur	Pelalawan, Riau	6,681	2014	Certified
	Nilo Barat	Pelalawan, Riau	6,179	2014	Certified
	Mutiara	Pelalawan, Riau	1,363	2019	Certified
	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	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified 2017
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified 2017
	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014	Certified 2017
	Tanjung Beringin	Langkat, Sumatera Utara	3,936	2020	Certified
Tanjung Keliling POM	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified 2020
	Maryke	Langkat, Sumatera Utara	2,827	2014	Certified 2020
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified 2020
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified 2020
Sinergi POM	Kebun Pertama	Kutai Timur, Kalimantan Timur	10,104	2024	Uncertified
	Kebun Belidan	Kutai Timur, Kalimantan Timur		2024	Uncertified

	Kebun Manubar	Kutai Timur, Kalimantan Timur		2024	Uncertified
	Kebun Multi	Kutai Timur, Kalimantan Timur	3,255	2024	Uncertified
	Kebun Karya	Kutai Timur, Kalimantan Timur	2,928	2024	Uncertified
	Kebun Bakti	Kutai Timur, Kalimantan Timur	1,884	2024	Uncertified
IPS POM	Kebun IPS	Kutai Timur, Kalimantan Timur	3,556	2024	Uncertified
Prima POM	Kebun Prima	Bulungan, Kalimantan Utara	7,731	2024	Uncertified
	Kebun Bahagia	Bulungan, Kalimantan Utara	1,310	2024	Uncertified
	Kebun Permai 1	Bulungan, Kalimantan Utara	1,017	2024	Uncertified
	Kebun Permai 2	Bulungan, Kalimantan Utara	3,778	2024	Uncertified
PBJ POM	Kebun PT Putra Bongan Jaya	Kutai Barat, Kalimantan Timur	11,602	2022	Uncertified
PWS POM	Kebun Pasir Salak	Musi Banyuasin, Sumatera Selatan	5,105	2024	Uncertified
	Kebun Pangkor	Musi Banyuasin, Sumatera Selatan	4,697	2024	Uncertified
	Kebun Grik	Musi Banyuasin, Sumatera Selatan	5,269	2024	Uncertified
No POM yet	Kebun Anugrah	Mesuji, Lampung	3,231	2024	Uncertified
	Kebun Bintang	Mesuji, Lampung	2,608	2024	Uncertified
	Kebun Ceria	Mesuji, Lampung	2,674	2024	Uncertified
Segah POM	Kebun Satu Sembilan Delapan	Berau, Kalimantan Timur	5,676	2022	Uncertified
	Kebun Tekukur Indah		1,497	2025	Uncertified
<b>PENINSULAR MALAYSIA</b>					
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 Pedas	Pedas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telemong, Pahang	1,578	2012	Certified
	Tuan	Telemong, 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
<b>SABAH, MALAYSIA</b>					
Pinang POM	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong	Tawau, Sabah	2,864	2009	Certified 2009
	Pangeran	Tawau, Sabah	2,855	2009	Certified 2009
	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
Mill II	Pang Burong	Tawau, Sabah	2,548	2009	Certified 2009
	Sri Kunak	Tawau, Sabah	2,770	2009	Certified 2009
	Tundong Estate	Tawau, Sabah	2,155	2009	Certified 2009
	Ringlet	Tawau, Sabah	1,834	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlet		1,834	2009	Certified 2009
Lungmanis POM	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
	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 POM	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
<b>LIBERIA</b>					
Palm Bay Mill	Palm Bay Estate	Liberia	13,007	2023	Uncertified

\*KLK Time Bond Plan has been updated on 1 December 2021 and develop by sustainability team

Here's the remarks related to uncertified unit:

Country/Region	Management Unit	RSPO Certification Timeline	Remarks
Indonesia	PT Bumi Makmur Sejahtera Jaya	Y2023	<i>Hak Guna Usaha</i> (HGU) is still pending
	PT Anugrah Surya Mandiri	-	The unit is undergoing liquidation process since January 2020. It is expected to be completed by 2022.
	PT Menteng Jaya Sawit Perdana	Y2023	Hak Guna Usaha (HGU) is still pending
	Nilo POM 1	Y2024	<ul style="list-style-type: none"> <li>▪ The POM is currently receiving only non-certified FFB's from external suppliers as its own fields are undergoing replanting in stages.</li> <li>▪ It plans to process its own certified FFB's again in 4 years time and subsequently obtain RSPO certification.</li> </ul>
	Segah POM	Y2022	The unit is managed by KLK and has just been recently added into KLK's RSPO certification program.
	Tekukur Indah	Y2025	The unit is managed by KLK and has just been recently added into KLK's RSPO certification program. However, development has not started.
Malaysia	Mill 1	-	The unit is closed and its certificate will not be renewed during the next surveillance audit.

Revised timebound plan has been endorsed by RSPO Secretariat on 06 December 2021.

1.10.2

**Progress of Associated Smallholders and Outgrowers for Certifiable Standard**

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<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC</b>	<p>1. <b>Briyogi Shadiwa (Lead Auditor)</b>. Indonesian citizens. Associate Degree of Oil Palm Plantation. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified legal, supply chain, partial, Environmental, Conservation and GHG aspects.</p> <p>2. <b>Rindu Galih Rezza Rachmansyah (Auditor)</b> Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP &amp; NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During assessment, he verified Best Management Practice and OHS.</p> <p>3. <b>Erika Lucitawati (Auditor)</b>. Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Training, RSPO Lead Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified worker welfare and transparency aspects.</p> <p>4. <b>Ririn Wahyuni Sipayung (Auditor Trainee)</b>. Experience working as a Sustainability Assistant for 6 years in several private oil palm plantation companies in Indonesia. The trainings that have been attended include IRCA Lead Auditor Training 9001:2015,, Refreshment New ISPO (PERMENTAN 38 of 2020), Awareness (ISO 9001, ISO 14001, ISO 45001: 2018, ISO 19011: 2018, ISO 17021: 2015, ISO 17065 : 2012), Management of HCV in ISPO, In House Training (Best Management Practice, Environment, Employment, Social, and Transparency), <i>Calon Ahli Keselamatan dan Kesehatan Kerja (AK3U)</i> by the Ministry of Manpower of the Republic of Indonesia, ISPO Auditor Certification by LPP and ISPO Commission, Implementation OHS in Oil Palm Plantations, Handling and Control of Land Fires by Plantation Agency of West Kalimantan Province, Hazardous Waste Management by Environmental Agency of West Kalimantan Province, Traceability Supply Chain and Smallholder Engagement and so on. Has carried out several audit activities. In this audit, activity verified the Environmental, Conservation and GHG aspects under the supervision of the Lead Auditor</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	<p>Number of auditors: 3 auditors and 1 Auditor Trainee          Number of days for <b>RC</b> at site: 6 days          Number of working days for <b>RC</b> at site: 18 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by Mandau Palm Oil Mill, PT Adei Plantation &amp; Industry subsidiary of Kuala Lumpur Kepong Berhad Unit Certification based on:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li> </ul> <p>The scope of certification of Mandau Palm Oil Mill, PT Adei Plantation &amp; Industry consist of one mill (Mandau Mill) and two estate (KMS &amp; KMU)</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.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results RC by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase Recertification. Improvement of findings from ASA-1.4 findings were observed by auditors at this RC assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of RC.

The opening meeting was held on 12 September 2022. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, and Support Team. Closing meeting was held on 17 September 2022 attended by the same participants as the opening meeting. Management Mandau Palm Oil Mill, PT Adei Plantation & Industry accept all the onsite RC audit results.

During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. Before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.

Public Stakeholder Notification was made on MUTU and RSPO Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was 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 discussion, 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.

Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III.

Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel.

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).

The assessment program please find Appendix 2.

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>RC</b>	<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><b>Mandau POM</b></p>

- **Material Storage.** Observation related to implementation of material management, safety, environmental, and worker welfare aspects.
- **Chemical Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Lubricant Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspects.
- **Hazardous Waste Temporary Storage.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **Security Post.** Observation and interview with worker related to implementation of security activity, OHS, environmental and worker welfare aspects
- **WTP.** Observations and interviews with workers related to implementation, OHS, environment and aspects of worker welfare.
- **Empty Lean Station.** Related observations, OHS, environment and aspects of worker welfare.
- **IPAL.** Observations and interviews with related workers, OHS, environment and aspects of worker welfare.
- **Employee housing.** Observations related to the environment and aspects of worker welfare
- **Weightbridge Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Sortation Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Loading Ramp Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Sterilizer Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Thresher & Auto Feeder Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Press Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Clarification Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Nutt & Kernel Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Boiler Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Engine Room Station.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Simulasi Hydrant di Fiber Hexane Plant.** Observations and interviews with workers related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.

**Kebun Mandau Utara**

- **HGU Pole No. 25 and 27.** Field observation related to boundaries and company operational area.
- **Material Storage.** Observation related to implementation of material management, safety, environmental, and worker welfare aspects.
- **Chemical Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.

- **Fertilizer Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Lubricant Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspects.
- **Hazardous Waste Temporary Storage.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **Security Post.** Observation and interview with worker related to implementation of security activity, OHS, environmental and worker welfare aspects.
- **Housing Complex of KM3.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism.
- **Day Care of KM3.** Observations and interview with worker regarding to educational facilities in the form of childcare for workers.
- **Chemical Mixing Area, Rinse House and PPE Storage of Spray Team of KM3.** Observations related to implementation of procedure, manpower, OHS, environmental aspect.
- **Fire Fighting Equipment Warehouse.** Observation and interview with worker related to implementation of firefighting activity, OHS, and environmental aspects.
- **Conservation in Papadah River Springs.** Observations on environmental management
- **Observation of Fire Tower No.06.** Observations related to emergency response facilities
- **TPSA Block 2010 A, Hole No. 26.** Observation of the condition of the final waste disposal site.
- **Observations at Embung No. 05 and Pond.** Observations on environmental management
- **Manual Weeding in Block 16 B KM1.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Manual Road Maintenance in Block 15A KM1.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Harvesting in Block 14E KM2.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **FFB Transport in Block 14E KM2.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **EFB Application in Block 12D KM2.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Spraying Activity in Block 14H KM 3.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Beneficial Plant in Block 14M KM3.** Observations related to biological control to control UPDKS by maximizing host plants from natural enemies of these pests along with their treatment.
- **Barn Owl Box in Block 12G KM3.** Observations related to biological control using the natural enemy of rats, namely owls and monitoring.
- **Slope Area in Block 12G KM3.** Observations related to the management of sloping areas with the use of contour terraces and LCC plantings to reduce erosion.

#### **Kebun Mandau Selatan**

- **HGU Pole No. 66, 65, and 67.** Field observation related to boundaries and company operational area.
- **Material Storage.** Observation related to implementation of material management, safety, environmental, and worker welfare aspects.
- **Chemical Storage.** Observation related to implementation of chemical management, safety, and environmental

aspects.

- **Fertilizer Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Lubricant Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspects.
- **Hazardous Waste Temporary Storage.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **Security Post.** Observation and interview with worker related to implementation of security activity, OHS, environmental and worker welfare aspects.
- **Housing Complex of KM5.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism.
- **Day Care of KM5.** Observations and interview with worker regarding to educational facilities in the form of childcare for workers.
- **Chemical Mixing Area, Rinse House and PPE Storage of Spray Team of KM5.** Observations related to implementation of procedure, manpower, OHS, environmental aspect.
- **Fire Fighting Equipment Warehouse.** Observation and interview with worker related to implementation of firefighting activity, OHS, and environmental aspects.
- **Landfill Block 98E KM 5.** Observation related to implementation of procedure, OHS, and environmental aspects.
- **Penaso River Border Conservation Area Block APL.235.** Observations on environmental management
- **APL.239 Block Fire Tower.** Observations related to emergency response facilities
- **Land Application Block 98F.** Observations related to POME management.
- **Spraying in Block 15D KM 4.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Pest Census in Block 15B KM4.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Manual Road Maintenance in Block 15B KM4.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **EFB Application in Block 16C/D KM4.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Beneficial Plant in Block 98F KM5.** Observations related to biological control to control UPDKS by maximizing host plants from natural enemies of these pests along with their treatment.
- **Gupon in Block 98F KM5.** Observations related to biological control using the natural enemy of rats, namely owls and monitoring.
- **Manual Weeding in Block 00C KM5.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Harvesting in Block 04C KM6.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **FFB Transport in Block 04C KM6.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.
- **Nursery.** Observations and interviews with workers related to work procedures, environmental management, OHS, employment and complaint mechanisms.

2.3

Stakeholder Consultation and Stakeholders Contacted

<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Summary of stakeholder consultation process            Consultation of stakeholders for Mandau Palm Oil Mill, PT Adei Plantation &amp; Industry was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on MUTU website on 22 August 2022</li> <li>• Public Notification on RSPO website on 11 August 2022.</li> <li>• Conducted public consultation via telephone to local government agencies of Bengkalis Regency (Plantation Service, Environment Service, and Manpower and Transmigration Office) on September 13, 2022.</li> <li>• Conduct a public consultation with the Land Agency Office on September 14, 2022</li> <li>• Public consultation meeting with community(s) on 13 September 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor on 14 and 15 September 2022</li> <li>• Public consultation with NGOs (by email) such as WWF, WALHI, AMAN, and Sawit Watch on 2 September 2022.</li> </ul> <p>Numbers of input from stakeholders were clarified by Mandau Palm Oil Mill, PT Adei Plantation &amp; Industry.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-1.1</b> ) will be conducted eight (8) month to twelve (12) month after license approved.

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Mandau Palm Oil Mill, PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Berhad operation consisting of one (1) mill and Two (2) oil palm estates.

During the assessment, there were none conformities; and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Mandau Palm Oil Mill, PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Berhad operation complied with the requirements of RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>		
<b>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.</b>		
<b>1.1.1</b>		
<p>The certification unit has shown a master list of documents owned by the certification unit. The master list of documents is divided into 2 parts, namely administrative documents and sustainability documents. For administrative documents, there are 53 types of documents with 34 documents accessible to the public, while 38 types of sustainability documents are accessible to the public. Document can be accessed publicly through website <a href="http://www.klk.com.my">www.klk.com.my</a>.</p>		
<p>In the document, the list of accessible information covers relevant legal, social, and environmental aspects related to sustainability. These documents include land certificates, OHS plans, environmental and social impact plans and assessments, HCV documentation, pollution prevention and reduction plans, complaints, negotiation procedures, continuous improvement plans, public summary reports on certification assessment, and human rights policy. Based on interviews with government agency and surrounding village, they area already know the types of documents accessible to the public.</p>		
<p>From the results of the document review, the company has an SOP for Requests for Information which was made on April 20, 2020, while the request relates to documents related to the environment, social and law. In this case, if interested parties want to access these documents, they can coordinate with the company's PR PIC. The certification unit will respond the information no later than 14 days after the request is received and submit a copy of the response letter to the internal unit.</p>		
<p>Based on this explanation, the company already has legal, social, and environmental documents and is available for public access.</p>		
<b>1.1.2</b>		
<p>The company already has data information that can be accessed by multiple parties. The information has been reported to the relevant agencies, including:</p>		
<ul style="list-style-type: none"> <li>• RKL-RPL reports for the first semester of 2022 which are reported to:</li> </ul>		



- Bengkalis Regency Environmental Service through Pos Indonesia 13 September 2022
- Riau Province Environmental Service through POS Indonesia on September 2, 2022
- Ministry of Environment and Forestry on TTE number 1663341991-1694
  
- Reports on the management of Hazardous and Toxic Waste in the Second Quarter Period of 2022, among others, to:
  - Bengkalis Regency Environmental Service on August 12, 2022 with signature and wet stamp
  - Riau Province Environmental Service on August 8, 2022 via Pos Indonesia
  - Ministry of Environment and Forestry with TTE number 1658938155-1694
  
- Reports on the management of POME for the second quarter of 2022 include:
  - Bengkalis Regency Environmental Service on 27 July 2022 with wet signature and stamp
  - Riau Province Environmental Service on 27 July 2022 via Pos Indonesia

### **OHS Report**

- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 1 of 2022 to the Agency of Manpower and Transmigration of Riau Province through POS on 12 April 2022.
- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 1 of 2022 to the Ministry of Manpower of Republik Indonesia through POS on 12 April 2022.
- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 2 of 2022 to the Agency of Manpower and Transmigration of Riau Province through POS on 05 July 2022.
- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 2 of 2022 to the Ministry of Manpower of Republik Indonesia through POS on 05 July 2022.

From the results of the document review, the company has an SOP for Requests for Information which was made on April 20, 2020, while the request relates to documents related to the environment, social and law.

From the results of the document review, the document is made in Indonesian which can be reached by all parties who access it. From the results of interviews with the Bengkalis Regency Environmental Service, he also stated that he understood the procedures for obtaining requests for information from the company.

Based on this explanation, the company PT Adei Plantation & Industry has met indicator 1.1.2

#### **1.1.3**

The company has a procedure for requesting information which was revised on April 24, 2020 explaining, among other things:

- Ensure that all requests for information are on environmental, social and legal issues related to sustainability criteria
- Managers must constructively and appropriately respond to each request. Requests containing responses must be signed by the manager or authorized person and dated to the response
- The response period is 14 days. If there is a reason, then the timing of providing stakeholder information on this matter, along with the reasons for the delay
- Etc

The company can also show the realization of the procedure, for example from the incoming letter on March 12, 2021 number 1342/PL31/AK/2021 regarding the application for practical work from the Ministry of Education and Culture of the Bengkalis State Polytechnic, and the company has responded to the letter with the letter number AD-KM /IV/2021-38 regarding the response to letter No. 1342/PI.31/AK/2021 that the company agrees and is willing to accept students who are submitted for practical work in the company.

Based on this explanation, the company PT Adei Plantation & Industry has met indicator 1.1.3

#### **1.1.4**

The company has a procedure for requesting information which was revised on April 24, 2020 explaining, among other things:

- Ensure that all requests for information are on environmental, social and legal issues related to sustainability criteria

- Managers must constructively and appropriately respond to each request. Requests containing responses must be signed by the manager or authorized person and dated to the response
- The response period is 14 days. If there is a reason, then the timing of providing stakeholder information on this matter, along with the reasons for the delay
- Etc

Based on the results of interviews with the Bengkalis Regency Environmental Service, Penaso Village Heads around the company, company contractors and company employees, information can be obtained that all these stakeholders are familiar with the consultation and communication procedures established by the company.

Based on this explanation, the company PT Adei Plantation & Industry has met indicator 1.1.4

### 1.1.5

The company has compiled a list of contracts and stakeholder information compiled on September 13, 2022, for example:

- BPJS Health
- BJPS Employment (Duri Branch Office)
- Manpower Agency of Bengkalis
- Bengkalis Regency Environmental Service
- Serikat Buruh Riau Indonesia
- PT Pratama Saoloan Green (Hazardous Waste Collector)
- PT Aaron Putra Mandiri (TBS Transportation Contractor, Construction)
- PT Bumi Beringin Tapina (FFB Transportation Contractor)
- PT Koto Pait Mandiri (FFB Transportation Contractor)
- PT Abid Pratama Mandiri (FFB Transportation, Construction, Manpower)
- PT Riau Security Indonesia (Security Personnel)
- Etc

From the results of document verification, the list of stakeholders that has been made by the company has been proven by the contact contacted for public consultation to connect with the designated stakeholders.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 1.1.5

**Status: Comply**

## 1.2

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

### 1.2.1

Unit of Certification has a KLK (Kuala Lumpur Kepong) Group Anti-Corruption Policy (dated 03 August 2020). The policy is written in Indonesian and has been socialized to related workers and stakeholders. This policy expresses a commitment to ethical behaviour in all operations and transactions is stated that KLK Group is committed to fostering an anti-corruption culture and to ensuring that its activities and transactions are open, transparent and are conducted in accordance with its policies and the laws which govern its operations in every country in which it operates. Unit of Certification can show record of socialization Code of Conduct to stakeholders including internal and external stakeholders. For example, company has shown evidence of socialization on 11 February 2022 in KMS which was attended by 24 workers

Besides, Unit of certification has shown implementation of business ethic in recruitment and contract. For example, Unit of certification has also shown agreement with number 02/ADEC-DY BERSAMA/KCP-Oa/2022 on 1 January 2022 between PT Adei Plantation & Industry and PT Dongan Yakin Bersama for PK and CPO transportation which is valid from 1 January 2022-31 December 2022. PT Dongan Yakin Bersama has also signed Ethical Code on 12 February 2022 which has contained statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked.



Based on interview with workers and contractor, it's known that they had a good understanding towards code of ethic policy. Based on explanation above, company has policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.

### 1.2.2

Certification unit has a system to monitor compliance and implementation of policies and overall ethical business practices on several SOPs, here as follows:

1. SOP of workers management (No. SSOP 29) concerning on recruitment system validated on 10 April 2019 which stated that in recruitment the minimum age to apply is 18 years old and there was no cost in recruitment process.
2. SOP of handling information request and grievances (No. SSOP 01 Rev-04) validated on 25 October 2021 which stated about the definition of the complaint, the type of complaint, the channel for submitting the complaint, the protection of employees against retaliation, training, annual review and evaluation.

Besides that, certification unit has a system to monitor compliance and implement policies contained in the Sustainability Standard Operating Procedure 1. Request and provide information, communicate and submit complaints. In the SOP, there are points that explain the submission of complaints (point C). The matters explained at this point are the definition of the complaint, the type of complaint, the channel for submitting the complaint, the process flow, the protection of employees against retaliation, training, annual review and evaluation. The certification unit has shown a stakeholder logbook and Hot line. In that monitoring, it was found that there were no violations of the code of ethics in the certification unit's operational areas. Besides, unit of certification has also monitored the compliance through internal audit including contractor evaluation. This is showed in document of RSPO and ISPO Internal Audit Documents in October 2021.

**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 documents verifications the unit of certification can demonstrate compliance with these law and regulations, for instance:

#### Compliance with Environmental aspect

- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely.
- Has been manage the hazardous waste, POME and domestic waste in accordance with applicable regulation.
- Land preparation without burning and has the infrastructure in fire anticipation, according to *Permentan* Number. 26 of 2007 section 15.
- Environmental Impact Analysis Document (ANDAL) for PT Adei Plantation & Industry's Palm Oil and Rubber Plantation and Processing Factory in Mandau District, Bengkalis Regency, Riau Province with an area of 14,900 HGU, 14,900 Plantation Area (8,900 Palm Oil and 6,000 Rubber) Factory Capacity (Coconuts) 80 Tons of FFB/Hour and 3 Tons of Rubber/Hour) were established in 1999
- Environmental Impact Analysis Document of Plantation and Palm Oil Mill Development Activities in Pinggir District, Bengkalis Regency, Riau Province which was approved by the Bengkalis Regency AMDAL Commission Number 178/KPTS/IV/2017 dated April 4, 2017 by the Regent of Bengkalis with details of the HGU used 14,900 Ha to be developed into oil palm plantations and PKS with an installed capacity of 100 Ton FFB/Hour
- Addendum Documents of ANDAL and RKL-RPL for Plantation and Palm Oil Industry Activities of PT Adei Plantation & Industry in Pinggir and Talang Mandau Sub-districts, Bengkalis Regency which was approved by the Bengkalis Regency Environmental Service with Number 660/DLH-TL/2020/64 on 22 December 2020

#### Compliance with Legal Aspect

The unit of certification can demonstrate compliance with these laws and regulations, for example: have land title (HGU), have environmental documents, Have plantation business permits and etc.

#### Compliance with Worker Welfare Aspect

- Employee wage has been referred to Decree of Governor of Riau No. Kpts.1272/XI/2021 concerning Regency Minimum Wage of 2022. The decree stipulated the minimum wage for plantation and the processing sector with a value of IDR 3,350,646.31.
- Company has implemented a structure and scale of employee wages based on years of service and work assessment of each employee.
- All employees have been registered in the Health and Employment insurance programs.
- Employment Report No. 28784.20220209.0002 in 2022 via online on 9 February 2022 and must be reporting back on 9 February 2023.

**Compliance with Best Management Practice Regulation**

- The management unit already owns and uses pesticides registered with the Pesticide Commission.
- IPM activities according to the best IPM guidelines.
- Reporting on the Plantation Business Development Report of PT Adei Plantation & Industry Semester 2 of 2021 to the Plantation Agency of Bengkalis Regency on 13 January 2022.
- 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.

**Compliance with OHS Regulation**

Certification unit in general has complied with OHS regulation, including:

- The establishment of the P2K3 (OHS Committee) for PT Adei Plantation & Industry which were registered / approved by the Manpower and Transmigration of Riau Province in 20 January 2022 (Decree No. 124/Disnakertras-PK/SK-P2K3/1/2022).
- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC
- Has a license / competency for some special jobs that require more expertise such as OHS experts, hiperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Has carried out a general health check (Medical Check Up) every year for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs (last checks in August 2022).
- Has provided PPE for all employees in accordance with the risk analysis and is provided for Free
- Involve employees in health insurance and employment insurance programs (*BPJS TK and BPJS Kesehatan*)
- Equipping operators with required competencies, for example license for lift operators and power plant operators

**SIA**

The company already has a Social Impact Assessment Report (Social Impact Assessment) of PT ADEI Kebun Mandau KLK Group Bengkalis Regency, Riau Province which was established in Jakarta in January 2012. The results of the social impact study include:

- The presence of the Company in this Area. PT Adei Kebun Mandau cannot be considered as a single, independent entity that influences or gains influence from the local community.
- Social Impact. A significant positive impact on physical capital is the increased accessibility of the surrounding community due to the construction of estate roads. After PT ADEI Mandau Plantation has operated for more than 20 years in a suburban sub-district, now the intensity of the social impact of PT ADEI's existence and operations on the lives of the surrounding community is relatively low, not so felt by the local community when judged from the aspect of social contribution and absorption of local labor.
- Social interaction with the community. The interaction between the company and the community depends on the village government as the party representing the villagers, especially the leadership style and communication patterns of the village coconut. In general, this social interaction has not led to a form of cooperation, where communication and interaction are established to achieve common goals. PT ADEI Kebun Mandau, with all its current problems, has a fairly good level of social interaction with the community around the company's HGU area.

- Social Interaction with the Community. The company conducts social interaction in the form of cooperation, where communication and interaction are established to achieve common goals. In dynamic social life, there is rarely a condition without differences in perceptions, conflicts, or conflicts. So that PT ADEI Kebun Mandau, with all its current problems, has a fairly good level of social interaction with the community around the company's HGU area.
- Etc

### 2.1.2

Procedure of legal requirement is listed in document SOP No. 2 about compliance of law and regulation. The procedure explains the person in charge for managing the regulation and update the regulation. Sustainability team will update the regulation whenever there is new regulation related to company activity. Besides, company also showed the evaluation of regulation compliance that can be applied in PT Adei Plantation & Industry. The latest evaluation has been done by company on December 2021. One of the most recently updated regulations is the regulation regarding minimum wages in Decree of Governor of Riau No. Kpts.1272/XI/2021 concerning Regency Minimum Wage of 2022. In relation to third parties, the company also conducts compliance evaluations as stated on contractor evaluation form which was carried out in the period 2022 on 20 August 2022 which informs several aspects of assessment, including compliance with labor regulations, implementation of OHS and compliance with environmental regulations

### 2.1.3

The company has procedures for monitoring and maintaining the HGU stake contained in SOP 4 document issued August 10, 2017 revision 2 which explains that the company will assign 3 people special officers for monitoring stakes, providing monitoring equipment in the form of GPS etc. As for monitoring is carried out once a year.

The company has a map that showing the location of the boundary poles in each estate. The company has also monitored HGU boundary pole in December 2021 by showing the results of monitoring, in accordance with the Procedure of HGU on SOP 4 "Pemantauan Patok BPN" (10 August 2017). The results of field observations on the boundary pole for example No. 65, 66 and 67 in KMS and No. 25 and 27 in KMU are found and that the condition of the boundary poles are well maintained.

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 contractors, including contractors for transporting hazardous waste and maintenance of mill machinery, has been maintained by the certification unit. In monitoring the use of contractors for estate and mill activities, the certification unit has properly documented the list of contractors, number of employees owned, contact persons, work agreements, and ensured other matters related to compliance with laws and regulations in Indonesia. It was further explained that the document also includes a list of stakeholders in the area. Based on document verification, there are 27 contractors in estate and 6 contractors in mill. For example, here is several contractors in mill and estates based on its business is showed in table below.

No	Name of contractor	Business
1	PT Indotama Jaya Mas, PT Abid Pratama Mandiri, PT Riau Indonesia, etc.	Labour supply Security
2	PT Sumatera Kalimantan Jaya, PT Abid Pratama Mandiri	Construction
3	PT Abid Pratama Mandiri, PT Sagita Mitra Sejati, PT Evan Sarana Engineering	Spare parts and maintenance for mill
4	PT Dongan Yakin Bersama	PK and CPO transport
5	PT Aaron Putri Putra Mandiri, PT Bumi Beringin Tapina, etc.	FFB transport
6	PT Pratama Saoloan Green	Hazardous and toxic waste transporter

**2.2.2**

In managing contractor, Unit of Certification has copy of collaboration agreement with each contractor. For example, Unit of Certification has shown its agreement which has shown that there were several separate clauses on the work agreement between Unit of Certification and contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to registration of workers' health and social security insurance, provision of minimum wages, obligation to use PPE, other permits such as tax payment and others. For example, Unit of Certification has shown agreements between two parties as follows:

- Agreement with number 011/Adei-SPJP-MPOM/VI/2022 on 29 July 2022 between PT Adei Plantation & Industry – Mandau Palm Oil Mill and PT Bintang Riau Perkasa for security worker service which is valid from 1 August 2022-31 October 2022.
- Agreement with number 02/ADEC-DY BERSAMA/KCP-Oa/2022 on 1 January 2022 between PT Adei Plantation & Industry and PT Dongan Yakin Bersama for PK and CPO transportation which is valid from 1 January 2022-31 December 2022.
- Agreement with number ADEI-KMS/SPP/17/II/2022 on 3 January 2022 between PT Adei Plantation & Industry KMS and PT Koto Pait Mandiri for FFB transportation which is valid from 3 January 2022-31 June 2022.

Unit of Certification has shown health and worker insurance (*BPJS Kesehatan and Ketenagakerjaan*) for 2022 period for PT Bintang Riau Perkasa on *BPJS Kesehatan* for period of July 2022 on 19 July 2022 and also *BPJS Ketenagakerjaan* of June 2022 on 20 July 2022. Unit of Certification has also shown numbers of contractor's workers who work in Unit of Certification, such as number of PT Bintang Riau Perkasa's worker with 19 workers in PT Adei Plantation & Industry. Besides, Unit of Certification shows example of pay slip for contractor's worker and proof of payment for employment and health Insurance and Social Security (BPJS), for example for PT Bintang Riau Perkasa for August 2022, for example, in 25 working days, PBK (initial) get IDR 4,350,646. Unit of Certification shows contractor evaluation form which was carried out in the period 2022 on 20 August 2022 which informs several aspects of assessment, including compliance with labor regulations, implementation of OHS and compliance with environmental regulations. Based on 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 labour.

**2.2.3**

Unit of Certification has already ethical code for contractor which has been signed by each contractor. For example, Unit of Certification has shown fact of integrity as follows:

- Ethical Code for PT Bintang Riau Perkasa contract number 011/Adei-SPJP-MPOM/VI/2022 which was signed on 14 February 2022.
- Ethical Code for PT Dongan Yakin Bersama contract number 011/Adei-SPJP-MPOM/VI/2022 which was signed on 12 February 2022.
- Ethical Code for PT Koto Pait Mandiri contract number 011/Adei-SPJP-MPOM/VI/2022 which was signed on 3 January 2022.

In a document that has been signed by the contractor which contains a statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked.

	<b>Status: Comply</b>	
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**2.3 All FFB supplies from outside of the unit of certification are from legal sources.**

**2.3.1; 2.3.2**

Based on the results of interviews with weighing operators, reviews of records of FFB receipts, the company does not accept FFB from other sources, collectors (indirect sources) or other independent farmers.

	<b>Status: Comply</b>	
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**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**

The certification unit has shown a long-term plan (5 year plan) for the period 2021 - 2026 for PT Adei Plantation & Industry. The long-term plan explains maintenance costs, fertilizer costs, harvest costs, transport costs, depreciation, FFB production, OER, KER, CPO production, Kernel production, production prices, CPO prices, and company profits. In addition, the certification unit can show proof of tax payments such as PPH, PBB, and PPN taxes and can show public accountant reports conducted by the Kanaka Puradiredja, Suhartono public accounting firm, with the report's opinion presenting fairly, in all material respects, the financial position of PT Adei Plantation & Industry as of 30 September 2021, as well as its financial performance and cash flow for the year ended on that date, in accordance with Indonesian Financial Accounting Standards.

Annual planning also evaluated at the end of year and compared with realization. Its annual planning can be adjusted based on field condition, financial condition or another reason. Estates and mill management unit stated that those long-term plans mentioned above are subjected to be changed and reviewed annually by the respective management such as Mill or Estate Manager (MM or EM) and Senior Estate Manager (SEM) with Assistant General Manager (AGM) through considering actual trends and dynamic situation which predicted could be changed in the future. Furthermore, management unit stated that there was no presence of peat within estate operational areas. Department of Sustainability together with Estate and Mill Management has responsibility to ensure that all technical implementation has in accordance with procedure, which aims to reach optimum output for budget fulfillment purposes through monitoring, training and socialization.

**3.1.2**

Unit of certification management explained that criteria of replanting could be due to several consideration, such as age of palms (>25 years old), low productivity (<15 ton FFB/ha/year), stand per hectare (SPH) for palm tree is under 100 stand/ha and recommendation from Agronomist or other management consideration. However, based on year of planting data, it was known that palms in PT Adei Plantation & Industry were planted from 1998 to 2016. Based on the results of the review of replanting documents for the period 2021-2026, it is known that there are plans for replanting activities in 2023/2024 (Replanting activities are planned for palm that were planted in 1998 for 48 Ha).

**3.1.3**

The Certification Unit has a procedure associated with operational internal audit in the SSOP No. 21. *Pelaksanaan Tinjauan Ulang Manajemen*. The SOP approved by R&D Director, entered into force on 22 May 2020. Ensuring consistency of procedures implementation, the companies routinely conduct management review activities sustainability both agronomic and processing. The records of management review have been documented.

Management review has shows through several documents, for example as follows:

- Document for Monthly Mill Manager Report Periode of 2020-2021 (October 2020-September 2021 and Report Period of October 2021-August 2022 for every month.
- Document for Monthly Estate Manager Report Periode of 2020-2021 (October 2020-September 2021 and Report Period of October 2021-August 2022 for every month.
- RSPO and ISPO Internal Audit Documents in October 2021 with the results of finding 2 non-conformities and repairs have been made at the end of 2021 so that all of these non-conformities have been met, one of which is related to the reporting of the RKL-RPL Report which has been regularly reported to the relevant agencies on when reporting regularly per semester.
- Management Review Meeting on 25 January 2022 regarding the internal audit of SPO, OHS, and operational review conducted by the management and the results showed that there were still achievement of OER target which is still below standard, discussion of social audit findings in August 2021, and other discussions. These records must always be evaluated and developed if it leads to a positive direction in the future.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems. Based on the procedure, the certification unit is known to routinely conduct internal audit every year. Internal audits to conduct checks related to the operations of a management unit (estate and Mill). The certificate holder



shows the results of the internal audit in 2022. Internal audit implementation covers several criteria such as: cash bank administration, inventory, plant maintenance, crop production, crop production, wages and personnel.

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

The company shows evidence of implementation for continuous improvement which is shown as follows:

##### Aspects of Best Management Practices

The company has several plans for continuous improvement in increasing production efficiency and operational activities, including:

- Plans to use drones for monitoring and mapping operational areas, spraying activities, biota and pest detection. The technology for using this drone is in collaboration with AVIRTECH and is currently in the field trial phase and if the results are considered good, it will be considered for application.
- The planned use of the Verion (Smart Fertilizer Spreader) machine is used to facilitate fertilization activities in the company's operational areas. Where this machine can automatically apply fertilizer according to the fertilizer dose that has been set by the company. Currently, the use of the Verion engine is still in the planning stage and has not yet been tested in the field.

##### Social and Environmental Aspect

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable energy accordance to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality management and monitoring through several action like road maintenance, air quality testing, routine maintenance of vehicles and machines and vehicle upgrades.
- Management and monitoring of surface and groundwater through testing the quality standard.

#### 3.2.2

The company has shown the auditor regarding the RSPO metric template Version 2.1 that has been filled in according to the facts and data in the company's record documents, such as the number of workers, the area of production to the record of work accidents. Based on team auditor's review, the information has been match with others document, such as supply chain record, demographic workers, work accident, etc.

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 procedure documents review, it could be concluded that the oil palm agronomy, processing and safety procedures are still relevant with current situation and covers all main aspects from the field to the mill. All procedures are available in Bahasa. However, estates and mill employees understanding towards technical and safety matters is considered very satisfactory. This is in accordance with the results of field visits in the Estate area (harvesting, upkeep and spraying) and factories (process operators) who all work according to procedures such as harvesting and preparation of midrib techniques, pesticide

spraying techniques, manual upkeep techniques, and mill process flow which workers understand very well.

### 3.3.2 & 3.3.3

The Certification Unit has a procedure associated with operational internal audit in the SSOP No. 21. *Pelaksanaan Tinjauan Ulang Manajemen*. The SOP approved by R&D Director, entered into force on 22 May 2020. Ensuring consistency of procedures implementation, the companies routinely conduct management review activities sustainability both agronomic and processing. The records of management review have been documented.

To ensure that all these procedures are running well (implemented), the management can show management review that has shown through several documents, for example as follows:

- Document for Monthly Mill Manager Report Period of 2020-2021 (October 2020-September 2021 and Report Period of October 2021-August 2022 for every month).
- Document for Monthly Estate Manager Report Period of 2020-2021 (October 2020-September 2021 and Report Period of October 2021-August 2022 for every month).
- RSPO and ISPO Internal Audit Documents in October 2021 with the results of finding 2 non-conformities and repairs have been made at the end of 2021 so that all of these non-conformities have been met, one of which is related to the reporting of the RKL-RPL Report which has been regularly reported to the relevant agencies on when reporting regularly per semester.
- Management Review Meeting on 25 January 2022 regarding the internal audit of SPO, OHS, and operational review conducted by the management and the results showed that there were still achievement of OER target which is still below standard, discussion of social audit findings in August 2021, and other discussions. These records must always be evaluated and developed if it leads to a positive direction in the future.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc has been well maintained. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems. Based on the procedure, the certification unit is known to routinely conduct internal audit every year. Internal audits to conduct checks related to the operations of a management unit (estate and Mill). The certificate holder shows the results of the internal audit in 2022. Internal audit implementation covers several criteria such as: cash bank administration, inventory, plant maintenance, crop production, crop production, wages and personnel. For example, the results of an internal audit that discuss the production target has not been achieved in the previous period and there is a plan to follow up the production target in the next period so that the achievement can be met.

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

#### SIA

The company already has a Social Impact Assessment Report (Social Impact Assessment) of PT Adei Kebun Mandau KLK Group Bengkalis Regency, Riau Province which was established in Jakarta in January 2012.

The results of the social impact study include:

- The presence of the Company in this Area. PT Adei Kebun Mandau cannot be considered as a single, independent entity that influences or gains influence from the local community.
- Social Impact. A significant positive impact on physical capital is the increased accessibility of the surrounding community due to the construction of estate roads. After PT Adei Kebun Mandau has operated for more than 20 years in a suburban sub-district, now the intensity of the social impact of PT Adei's existence and operations on the lives of the surrounding community is relatively low, not so felt by the local community when judged from the aspect of social contribution and absorption of local labor.
- Social interaction with the community. The interaction between the company and the community depends on the village government as the party representing the villagers, especially the leadership style and communication patterns of the village coconut. In general, this social interaction has not led to a form of cooperation, where communication and

interaction are established to achieve common goals. PT Adei Kebun Mandau, with all its current problems, has a fairly good level of social interaction with the community around the company's HGU area.

- Social Interaction with the Community. The company conducts social interaction in the form of cooperation, where communication and interaction are established to achieve common goals. In dynamic social life, there is rarely a condition without differences in perceptions, conflicts, or conflicts. So that PT Adei Kebun Mandau, with all its current problems, has a fairly good level of social interaction with the community around the company's HGU area.
- Etc

### **EIA**

- Environmental Impact Analysis Document (ANDAL) for PT Adei Plantation & Industry's Palm Oil and Rubber Plantation and Processing Factory in Mandau District, Bengkalis Regency, Riau Province with an area of 14,900 HGU (8,900 Palm Oil and 6,000 Rubber) Factory Capacity (Palm Oil) 80 Tons of FFB/Hour and 3 Tons of Rubber/Hour) were established in 1999
- Environmental Impact Analysis Document of Plantation and Palm Oil Mill Development Activities in Pinggir District, Bengkalis Regency, Riau Province which was approved by the Bengkalis Regency AMDAL Commission Number 178/KPTS/IV/2017 dated April 4, 2017 by the Regent of Bengkalis with details of the HGU used 14,900 Ha to be developed into oil palm plantations and POM with an installed capacity of 100 Ton FFB/Hour
- Addendum Documents of ANDAL and RKL-RPL for Plantation and Palm Oil Industry Activities of PT Adei Plantation & Industry in Pinggir and Talang Mandau Sub-districts, Bengkalis Regency which was approved by the Bengkalis Regency Environmental Service with Number 660/DLH-TL/2020/64 on 22 December 2020
- HCV Identification Document in August 2011 based on the Toolkit for Identification of High Conservation Value Areas in Indonesia June 2008 by Aksenta.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 3.4.1

### **3.4.2**

#### **Environmental Impact Assessment**

The company already has a matrix for environmental management and environmental monitoring from the approved AMDAL document consisting of the Construction, Operation Phase.

The matrix for monitoring for the operation phase includes:

- Increased domestic wastewater
- Decline in River Water Quality
- Disturbance to aquatic biota (plankton and benthos)
- Increased air emissions
- Decreased ambient air quality
- Increased noise intensity around the factory area
- Dust increase
- Deterioration of ground water quality
- Employment opportunities and public perception of the company's existence
- Hazardous waste generation
- Domestic solid waste generation
- Forest or land fires
- Occupational Health and Safety

#### **Social Impact Assessment**

The company has carried out an evaluation of the SIA management and monitoring program for the 2021-2022 period. SIA management and monitoring program for the 2021-2022 period has informed the issues of stakeholders, social impacts (positive and negative), affected stakeholders, actions, person in charge (PR and Manager), completion targets and status. Management and monitoring of external social impacts, there are issues in several aspects as follows:

- Implementation of Corporate Social Responsibility (CSR):



- TORA Program (Land Object for Agrarian Reform)
- Environmental Development and Economic Improvement:
- Plasma Plantation Development
- Business Opportunities
- Health:
- Infrastructure:
- Environmental Sustainability:
- Environmental pollution
- Existence of Indigenous People/Indigenous Peoples/Local Communities/Immigrants/Youth/Women.
- Village *Musrebangdes*

Management and monitoring of internal social impacts, there are issues in the following aspects:

- Housing conditions
- School/Child/Kindergarten/Elementary School/School bus:
- PPE: Employees are not disciplined in using it
- Clean water/electricity
- Domestic waste
- Social.
- Environments.

The company shows an HCV management and monitoring plan for the period 2021-2022 which contains information on HCV attributes, objectives, management plan and time frame, as well as PIC. For example, the company has demonstrated the results of HCV management and monitoring in 2021 as shown below:

- Protect endangered species such as establishing procedures for handling elephants
- Establish communication and coordination with BKSDA
- Create a warning board about the prohibition of capturing and hunting protected species
- Anticipation of fires on the Penaso river border
- Coordinate and maintain good relations with local communities

A review of the environmental and social management and monitoring plan was carried out by means of a questionnaire and involved internal stakeholders such as Labor Unions, and employees and the surrounding village communities such as Semunai Village, Balai Pungut, Tenganau, Titan Antui, Kuala Penaso, Balai Raja, and Muara Basung which was carried out on October 2021.

From the results of the document review, the company has involved stakeholders in capturing issues that will occur in the company, both positive and negative impacts

Based on this explanation, the company has shown evidence of environmental management by involving internal workers and the surrounding community

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 3.4.2

### 3.4.3

The company already has a matrix for environmental management and environmental monitoring from the approved AMDAL document consisting of the Construction, Operation Phase.

The matrix for monitoring for the operation phase includes:

- Increased domestic wastewater
- Decline in River Water Quality
- Disturbance to aquatic biota (plankton and benthos)
- Increased air emissions
- Decreased ambient air quality
- Increased noise intensity around the factory area

- Dust increase
- Deterioration of ground water quality
- Employment opportunities and public perception of the company's existence
- Hazardous waste generation
- Domestic solid waste generation
- Forest or estate fires
- Occupational Health and Safety

The company has also reported environment monitoring in the semester I 2022, among others to:

- Bengkalis Regency Environmental Service through Pos Indonesia 13 September 2022
- Riau Province Environmental Service through POS Indonesia on September 2, 2022
- Ministry of Environment and Forestry on TTE number 1663341991-1694

Company has demonstrated the implementation of SIA management in 2021, for example

- Immunization assistance in Muara Basung Village in January 2021
- Assistance for road repairs in Muara Basung Village in February 2021
- Rice and fuel assistance for Pangkalan Libut Village in March 2021
- Vegetable seed assistance to Muara Basung Village Farmers Group in March 2021
- Fish seed assistance to the Tenganau Village Cooperative in April 2021
- Assistance to Balai Raja Village farmer groups in April 2021
- Road maintenance in Penaso Village assistance in April 2021
- Assistance of school bus stop in each estate in September 2021.
- Assistance of water tank for workers' house in each estate in September 2021

From the results of the document review, the company has implementation documents of HCV management, namely:

- Improve knowledge and skills for plantation staff and employees in elephant handling which will be implemented in February 2022
- Provide understanding and understanding to all employees about the function of the reservoir in January 2022
- Carry out maintenance on the warning boards around the reservoir in January 2022
- Socialization of the prohibition of spraying HCV on 11 April 2022
- Anticipation of fires on the Penaso river border
- Coordinate and maintain good relations with local communities
- Etc

This activity shows that the HCV area is still in good condition. In addition, based on document verification, the company has reviewed and developed the results of the 2021 HCV management and monitoring by involving relevant stakeholders, such as surrounding villages in the company's area through a questionnaire, for example, a stakeholder consultation activity with the surrounding community was carried out in October 2021.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 3.4.3

**Status: Comply**

### 3.5

#### A system for managing human resources is in place.

##### 3.5.1

Unit of Certification has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement 2021-2023 written in Bahasa. Based on document verification, this CLA has been in accordance with the applicable regulation including retirement. In general, these procedures describe:

- Recruitment of workers is based on needs and adjusted to ability of company.
- Recruitment of workers is based on ability, expertise and assessment of prospective workers.
- Placement, transfer and promotion of workers is authorized by company in accordance with applicable regulations.

- Termination of workers can occur if the worker is on probation, resign as the worker's willing, ends on worker's period of the agreement, retire, etc.
- The retirement age for employees at KLK Group is 58 years old.

Employee Recruitment Procedures explained in the recruitment system (Employee Admission) No. KLKA/CP-HR/001 and made on 18 April 2011 and approved by the President Director. Non-discriminatory policy is explicitly explained in the KLK (Kuala Lumpur Kepong) Sustainability Policy signed by the Chief Executive Officer (30 August 2018). In addition, the new employee recruitment system is described in the Sustainability SOP No. 29 Revision 5 on 13 January 2021 concerning Worker Management. In the SOP, which explains the recruitment and interview methods, requirements for employee recruitment such as 18 years of age, ID card and family card, health checks, no ethnicity, religion, race and intergroup, registration (*BPJS Ketenagakerjaan* and *Kesehatan*). Instructions regarding working hours, leave, how to work and more. These procedures have been documented to all workers and their representatives. For example, the procedure and CLA has made available to the workers and their representatives, for example, based on Minute of Socialization of CLA and Worker Management Procedure on 8 July 2021 to 102 participants.

Regarding employee performance appraisal, it is regulated in certification unit policy which is the certification unit's right to improve the quality and productivity of existing human resources by giving awards to employees who excel. Employee promotions are determined according to the results of the work performance assessment and in the interest of the certification unit's strategy and employee career development with the following criteria: having dedication and loyalty in their field of duty, working based on the system and method as well as the stipulated conditions, having the ability to always try to improve abilities and performance and always work with a healthy and dynamic code of ethics.

For example, Unit of Certification has also shown indefinite time workers agreements in estates which is shown below:

- Work Agreement Number AD-KM-08/PKWTT/III/2021 dated 31 December 2021 on MPOM with ARD (initial) as general worker with probation period of 3 months.

From this explanation it can be concluded that Unit of Certification has procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented/available to workers and their representatives.

### 3.5.2

Unit of Certification has documented all labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. For example, Unit of Certification has shown labor procedures that have been implemented and are well documented as shown below:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter. For example, a worker on behalf of IRW (initial) who started working on 15 June 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of AER (initial) in KMS who had a promotion based on worker's appraisal based on 3 criteria, namely: ability to work, how to work, and self-management, and recommended to promote from harvest foreman to field staff in 2022.
- Termination document such as the management decree of employment's termination on behalf of JDS (initial) in KMS. Unit of Certification also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination payments, and proof of its payment in accordance with the applicable laws.

Based on interviews result with Manpower and Transmigration Agency of Bengkalis Province, Unit of Certification had been applied the existing labor procedures in accordance with the regulations. During 2022, there were no issues related to manpower.

Status: Comply

## 3.6

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

### 3.6.1

The certification unit has had a policy of occupational safety and health were written in Bahasa. The policy has been legalized. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and

occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (*P2K3*) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness.

Certification unit have document of hazard identification, risk assessment and risk control (HIRAC) which issued on 07 September 2022 for estate and mill. It will be reviewed if any occupational accident happens. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at boiler and engine room in mill (MPOM), harvesting and spraying activity in estate (Mandau Utara dan Selatan Estate) it was clearly confirmed that workers had been aware related potential risk and hazards in the workplace. Following up on this, the company has been reducing the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

Interviews with estate workers (harvester and sprayer) and mill workers (mill operators). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work. For example mill employees exposed to high noise such as boiler employees and engine rooms who have used a complete hearing protection device according to risk analysis, namely ear muff and ear plug. There is no complaints from employees exposed to high noise exposure. To ensure that every workers are in good health then certification unit do the medical check up. The results of each employee's health examination have been properly stored. Last general and special medical checkups conducted in August 2022. The result of medical test showed that workers were in good health and fit to work.

### 3.6.2

Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (*P2K3*) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness. The following are examples of the realization by the certification unit in 2021 until August 2022 including:

- OHS inspection of PPE compliance of workers and other equipment that has been every month. For example, the inspections on January-August 2022 were conducted inspection in work locations found that there were all workers whose has been using an appropriate PPE.
- Dissemination of the dangers of drugs/childe workers to workers and residents of housing by installing warnings of the dangers of drugs in every employee's housing, office and other areas.
- Identification of areas with potential emergency hazards such as areas prone to fire, explosion, land / water pollution, and workplace accidents and the results of monitoring conducted every months. The last examination was in January until August 2022.
- Inspection of the availability and condition of first aid boxes conducted since January until August 2022 (every month) with the results of all first aid boxes carried by each field foreman, first aid kit in the office and in the warehousing area are still in good condition and available in 21 types of items in accordance with applicable laws and regulations. If there is item that had not available, the first aid officer will immediately added new item.
- Unit certification always holds routine *P2K3* meetings every month to monitor and evaluate the implementation of OHS that has been carried out. The last *P2K3* Meeting in 25 August 2022 on which discussed the evaluation of the annual evaluation of OSH implementation, preparation of inspection, and others attended by *P2K3* officers.
- Based on interview & Observed with pesticide applicator in Estate and process operators at Mill, certification unit has been provide adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations. For example, Sterilizer and Bolier Operators that has been provide PPE such as safety shoes, helmet, ear plug, & gloves.
- The certification unit has carried out the socialization of Safety induction on 11 February 2022 to all workers in the plantation and mill units. In addition, there are also warnings related to safety induction in several locations of offices, mills, housing and also oral delivery during muster morning to all workers every day. Guests and outside parties (including auditors) who will visit each operational area at PT Adei Plantaton & Industry, will be given a safety briefing and given PPE before making a visit.

Based on the results of the document review, it is known that the certification unit has carried out routine annual OHS evaluations

in each unit by carrying out RSPO internal audit activities for period of 2020/2021, the result is that there are several records related to the implementation carried out in these years but in less than a months have completed those records.

Based on the results of interviews with workers (harvester, pesticide applicator, and process operator) at KMU, KMS and Mandau POM, it is known that every day when the morning muster is carried out, the supervisor will check the completeness of the PPE of the workers and will deliver a safety briefing. Meanwhile, every month an OHS inspection is held to see how it applies to all units. Based on the explanation above, it can be concluded that the certification unit has monitored the effectiveness of the OHS plan to handle OHS risk in people.

Status: Comply

### 3.7

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

##### 3.7.1

Unit of Certification has established the annual training program in order to improve the competence and expertise of all workers for each unit including contractors. Based on document verification and interview with management results show that there is no smallholder/outgrower related to the company so that the training program is not needed to cover them. The training program covers all operational and RSPO aspects, such as agronomic best practices, chemical/pesticide handling, OSH, and the environment. Further explained that there is no gender discrimination in the program but based on the operational and previous evaluation.

Unit of Certification in this case shows training program of 2022 document which is based on an analysis of employee training needs. The training is carried out interactively by the trainer or supervisor through presentations and hands-on practice to increase participants' understanding. The training program covers the following aspects:

- OHS aspects training which includes: pesticide handling training, training for high-risk jobs, fire and hazardous waste management training, first aid, accident investigation and risk assessment.
- Environmental aspect training which includes air and water pollution control training, and domestic waste management training.
- Individual development training.
- Agronomic aspects training which includes training on harvesting, fertilization, spraying, pests & diseases,
- HCV training

Based on field observations and interviews with estate and mill employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

##### 3.7.2

Unit of Certification also showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, smallholders, and related stakeholders. The following is an example of training/socialization documentation that had been carried out, for example:

- Spray training for 8 contractors of KMS which was held on 16 February 2022.
- Manuring training for 5 contractors of KMU which was held on 10 January 2022.
- Harvesting training for 11 employees of KMU which was held on 8-11 January 2022.

Based on field observations and interviews with workers (harvesters, field workers, warehouse officers, and mill operators) and contractor workers, it is known that Unit of Certification provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

##### 3.7.3

The Company showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, and related stakeholders. The training of SCCS had been conducted on 21 June 2022 for weighbridge operator, laboratory, and admin. Based on the interview with all workers involved in supply chain operations, such as security (for FFB receiving verification), weighbridge operator (for dividing amount of certified and uncertified sourced), and the PIC related to supply chain, they have been understood the supply chain mechanism, and the book keeping record has conducted



and monitored quite well.

Status: Comply

### 3.8

#### Supply Chain Requirements for Mills

##### 3.8.1, 3.8.2

During the past 12 months the company only received and processed FFB from certified sources, but the company applied two sales models at once, namely IP and MB.

##### 3.8.3.

Estimates of CPO and PK produced by Mandau POM obtained from the projection based on actual data of 12 months before audit activities, here's the detail:

	Last Year Projected Certified Volume (MT)	Actual production in last 12 months (MT)	Estimation for the next 12 months
FFB Process IP	275,00	287,662.40	259,000.00
FFB Process MB	30,00	-	30,000.00
CPO Production IP	66,00	62,880.61	56,980.00
CPO Production MB	7,200	-	6,600.00
Palm Kernel (PK) Production IP	12,375	11,477.90	10,360.00
Palm Kernel (PK) Production MB	1,350	-	1,200.00

The company is currently using 2 sales models namely IP and MB for the future period.

##### 3.8.4

The Mill have been registered in RSPO IT platform for license period (19 June 2022 – 18 October 2022), with license id CB134155, RSPO member id: RSPO\_PO1000000411, member name: Mandau Palm Oil Mill – PT Adei Plantation and Industry.

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform, here's the detail:

- CSPK volume sold as physical as amount as 2,400 ton.
- CSPO volume sold as physical as amount as 4,732.63 ton
- CSPO volume removed as amount as 22,005.7 ton

Related to remove stock, the company sells using another scheme, namely ISCC with the aim of not having double counting.

##### 3.8.5

Mandau POM has procedures related to supply chain in Supply Chain Documentation – MB Model No. SSOP 32 3rd Revision dated 2 May 2020. The procedure explains the person in charge of the supply chain and details for each supply chain activity, for example related to training, transaction registration, and recording from receipt, storage, sale, handling of non-conforming products, and reporting. The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

Mechanisms for handling unsuitable oil palm products and / or documents are also listed in SOP Sustainability No. 32 on Supply Chain Documentation - the MB model stating that the marketing division is responsible for issuing sales contracts, arranging shipments, and making claims for product incompatibility and issuing payment invoice.

##### 3.8.6

Based on Supply Chain Documentation – MB Model No. SSOP 32, internal audit and management review are conducted at least 1 time in 1 year.

The company has conducted an internal audit of the RSPO and supply chain on 18 – 28 July 2022. Based on the results of the internal audit, it is known that there are no non-conformities in the supply chain aspect.



The company has carried out a Management Review as shown through the Mandau Management Review Document on January 25, 2022 which has covered all plantation operational activities including audit results related to the implementation of SCCS as evaluation material for the company's future performance program.

### 3.8.7

Mandau POM received FFB from certified sources, here's the detail:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Sep-21	30,743	-	30,743
Oct-21	21,450	-	21,450
Nov-21	25,139	-	25,139
Dec-21	25,856	-	25,856
Jan-22	23,868	-	23,868
Feb-22	18,397	-	18,397
Mar-22	21,554	-	21,554
Apr-22	18,989	-	18,989
May-22	22,215	-	22,215
Jun-22	25,027	-	25,027
Jul-22	24,259	-	24,259
Aug-22	30,164	-	30,164
<b>Total</b>	<b>287,662.40</b>	-	<b>287,662.40</b>

The auditor has verified FFB received records over the last 12 months, the total FFB certified received was 287,662.40 MT.

### 3.8.8

The company shows documentation of certified products, such as sales contracts, shipping announcements, delivery orders, etc. These documents explain the name and contact person of the buyer and seller, date of delivery, product description, quality, quantity, member ID, and others. Here's for the examples:

- CSPK Delivery Ticket on April 9, 2022, net weight 23,180 kg; IP Product Type; Vehicle No. A 9289 W; Driver Name Ardianto; Contract No. MDU/PK-IP-GMS/0322-3; Ticket No. X341607; No MUTU-RSPO/021 Certificate.
- CSPO Delivery Ticket on January 26, 2022, net weight 34,440 kg; IP Product Type; Vehicle No. BM 8863 RU; Driver Name Gunawan; Contract No. ADEC/01563-S/CPO-IP; Ticket No. X340893; No MUTU-RSPO/021 Certificate; Product Specification FFA 4.76%.

All shipping record also has unique number with QR code.

### 3.8.9, 3.8.10, 3.8.11

The Company has cooperation with third parties related to the handling of the transportation of certified products, namely:

- PT Dongan Yakin Bersama (No. 02/ADEC-DY BERSAMA/KCP-Oa/2022) which is valid from January 1, 2022 to December 31, 2022.
- PT Dalan Maju Bersama (No. 03/ADEC-DM BERSAMA/KCP-Oa/2022) which is valid from 1 January 2022 to 31 December 2022.

From the data above, there is no change in the presence of contractors from the previous assessment. From the results of interviews with the two contractors, the contractor has acknowledged that as a certified product carrier, he must follow the requirements of the RSPO certification system and be ready to be audited at any time by the certification body, this has also

been previously stated in accordance with the agreement with the contractors.

**3.8.12**

Mandau POM has record of all CSPO and CSPK information, as well as presented in the table bellows:

**Crude Palm Oil**

Period	CPO Production (MT)		CPO Delivery (MT)			Stock (MT)	
	Certified	Uncertified	Certified (Physical)	Other Scheme (ISCC)	Conventional	Certified	Uncertified
<b>Stock Opening</b>						2,124.85	-
Sep-21	6,741.80	-	-	5,774.48	-	3,092.17	-
Oct-21	4,742.77	-	-	5,055.08	-	2,779.86	-
Nov-21	5,473.11	-	500.00	6,768.47	-	984.50	-
Dec-21	5,580.97	-	-	5,267.77	-	1,297.70	-
Jan-22	5,253.41	-	250.00	4,924.30	-	1,376.81	-
Feb-22	4,096.75	-	-	4,758.85	-	714.71	-
Mar-22	4,656.83	-	-	2,083.21	-	3,288.33	-
Apr-22	4,107.15	-	-	5,701.05	-	1,694.43	-
May-22	4,866.11	-	-	1,013.98	-	5,546.56	-
Jun-22	5,518.42	-	1,499.99	3,455.90	-	6,109.09	-
Jul-22	5,349.64	-	1,726.08	4,284.11	-	5,448.53	-
Aug-22	6,493.65	-	1,475.75	5,877.31	-	4,589.13	-
<b>Total</b>	<b>62,880.61</b>	<b>-</b>	<b>5,451.82</b>	<b>54,964.51</b>	<b>-</b>		<b>-</b>

There's CSPO sold as certified product as amount as 5,451 MT for 12-month period.

**Palm Kernel**

Period	PK Production (MT)		PK Delivery (MT)			Stock	
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	Certified	Uncertified
<b>Stock Opening</b>						186.64	-
Sep-21	1,246.36	-	1,051.27	-	-	381.73	-
Oct-21	914.11	-	708.63	-	-	587.21	-
Nov-21	1,043.78	-	923.09	-	-	707.90	-
Dec-21	1,026.62	-	994.45	-	-	740.08	-
Jan-22	956.10	-	1,040.39	-	-	655.78	-
Feb-22	688.24	-	1,097.54	-	-	246.48	-
Mar-22	842.34	-	786.38	-	-	302.44	-
Apr-22	789.80	-	512.01	-	-	580.24	-
May-22	923.99	-	988.28	-	-	515.94	-
Jun-22	945.12	-	1,130.48	-	-	330.58	-

Jul-22	916.09	-	978.18	-	-	268.48	-
Aug-22	1,185.35	-	1,155.61	-	-	298.23	-
<b>Total</b>	<b>11,477.90</b>	-	<b>11,366.31</b>	-	-		-

There's CSPK sold as certified product as amount as 11,366 MT for 12-month period.

**3.8.13, 3.8.14**

Mandau POM has determined the extraction rate for CPO and PK to be produced. Based on actual production of CPO and PK for last 12-month period. The Extraction rate for production projections will be update annually based on the actual production of CPO and PK and company procedure (Work Guide on Palm Oil Mill, 1 March 2021).

**3.8.15**

Mandau Palm Oil Mill applies the IP supply chain model, because mill receives fruit from certified sources. Sources of certified fruit come from KMS and KMU (Certificate No. MUTU-RSPO/021).

**3.8.16**

Mandau POM has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

Member Name: Mandau Palm Oil Mill PT Adei Plantation & Industry  
 Membership No.: 1-0014-04-000-00  
 Member ID: RSPO\_PO1000000411  
 License ID: CB134155

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform, here's the detail:

- CSPK volume sold as physical as amount as 2,400 ton.
- CSPO volume sold as physical as amount as 4,732.63 ton
- CSPO volume removed as amount as 22,005.7 ton

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example:

- Record of the transportation of certified products in the form of CSPK according to contract no. MDU/PK-IP-GMS/0322-3 on 1 March, 2022, equipped with a weighing card with a payload of 700 tons. Records of the delivery of the product were disclosed in the RSPO Palm Trace on 31 March 2022 and confirmed by the purchaser (PT Adei Plantation & Industry – Mandau Kernel Crushing Plant) on 18 May 2022.
- Record of the transportation of certified products in the form of CSPK according to contract no. ADEC/01563-S/CPO-IP on 3 January, 2022, equipped with a weighing card with a payload of 249.14 tons. Records of the delivery of the product were disclosed in the RSPO Palm Trace on 26 January 2022 and confirmed by the purchaser (PT Kreasijaya Adhikarya) on 28 January 2022.

**3.8.17**

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.

Based on management representative interview and document review, the mill not use trademark on its sales activities and communication.

<b>Status: Comply</b>
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**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**

Unit of Certification has already KLK Sustainability Policy on 30 August 2018 on page 4 and page 6 respecting and recognizing rights at work explains:

- Recognizes the inherent dignity of each person and supports the Universal Declaration of Human Rights by the United Nations
- Respect and uphold the rights of all workers, including contract workers, temporary and migrants, with the core conventions of international labor organizations, the UN guiding principles on Business and Human Rights and the principles of free and fair employment in Palm Oil production as a guide
- Prohibition of intimidation and harassment by the unit of certification and contracted services, including contracted security forces.

This policy is routinely communicated to all levels of the workforce, operations, supply chain and local communities. For example, Unit of Certification has shown evidence of socialization on 11 February 2022 which took place at the estate office.

Based on complaint record review and interview with representatives of Titain Antui & Balai Raja Urban Village, gender committee, labor unions and Manpower and Transmigration Agency of Bengkalis Regency, it could be concluded that relationship between Unit of Certification, its employee and external stakeholder was considered in conducive situation. There was no violation case of human rights contributed by Unit of Certification.

**4.1.2**

Based on the interviews with representatives of Titain Antui & Balai Raja Urban Village, and workers, it showed that up until this assessment, if there was no any conflicts or disputes with Unit of Certification. Resolution action taken was deliberation without involving any violence's or mercenaries. Resolution of conflicts/problems using these deliberations has been quite effective and during past year there have never been any conflicts/problems in operational area. Based on interviews with estate and mill employees and village representatives revealed that there were no problems of confrontation and intimidation by the certification unit to maintain peace and order.

Based on interview with stakeholder such as government agency, representatives of Titain Antui & Balai Raja Urban Village, labor union and workers known that there is no indication of human rights violation. Based on field visit also known that the company does not use mercenaries and paramilitaries in its operations.

**Status: Comply**

**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.**

**4.2.1**

Unit of Certification has system for dealing with complaints and grievances based on procedure for requesting and providing information as well as communication and submission of complaints No. SSOP 1 Revision 4 on 25 October 2021. This SOP describes the types of complaints submitted, for example: terms and conditions of work, OHS, violence and discrimination, harassment and abuse of authority. This procedure is used for handling reports and complaints from internal and external stakeholders. In the procedure, it is stated that the complaint resolution period is 14 days from the time the complaint is received. Information regarding the receipt of the complaint must be communicated to the complainant. In addition, the procedure also regulates confidentiality and legal protection for the complainant (whistleblower until the complaint is resolved. If the reporting party/complaint is not satisfied and an agreement cannot be reached, the settlement of the reporting/complaint case can be continued to the mediator and the settlement through a third party (tripartite). Unit of Certification also showed record of socialization for internal and external stakeholders. For example, Unit of Certification has shown evidence of socialization on 5 January 2022 to workers.

Based on result of interviews with workers in MPOM, KMU and KMS, representatives of Titain Antui & Balai Raja Urban Village, and contractors, it revealed that they had good understanding of communication procedures and personnel who served as communicators between Unit of Certification and community so that illiterate people can be informed by related communicators. In addition, during past year, there were no complaints or disputes that occurred between company and surrounding communities

**4.2.2**

Unit of Certification has a policy regarding the delivery of information/complaint to parties who cannot read and write based on procedure for requesting and providing information as well as communication and submission of complaints No. SSOP 1 Revision 4 on 25 October 2021. The policy states that parties who cannot read and write can be accompanied by a trusted representative or carried out by displaying the procedure in writing or by showing pictures to explain related procedures that are owned. Based on interviews with representatives of Titain Antui & Balai Raja Urban Village, it was explained that community representatives had understood the complaint procedure. The procedure also states that all complaints must be registered in the Complaint Form in clear and easy to understand language. All complaint forms will be collected and registered monthly into the Grievance Register Book. Certification unit will respond to each complaint within 14 days from the date the complaint request was received. The procedure has been socialized to Estate and Mill workers as well as to the surrounding community. For example, Unit of Certification has shown evidence of socialization on 5 January 2022 to workers.

**4.2.3**

Unit of Certification has shown grievance logbook of internal and external stakeholder. Based on document review of grievance logbook in 2022. Unit of Certification showed recapitulation of complaints submitted by employees within 1 year as follows:

- An employee's complaint with the initials HRN submitted on 18 June 2022 related to leaking tin roof. Unit of Certification has followed up on the complaint by making improvements on 19 June 2022.
- An employee's complaint with the initials MRL submitted on 20 June 2022 regarding broken terrace and kitchen facility. Unit of Certification has followed up on the complaint by making improvements on 7 April 2022.

Based on interview with workers, it also showed that company has responded if there is any complaint directly after complaints submitted. Besides, based on the interviews with government agencies, surrounding communities, gender committees, and labor unions, it's known that there were no further complaints towards Unit of Certification in 2022.

**4.2.4**

Unit of Certification has a complaint handling mechanism and system described in procedure of Requesting and Providing Information, Communication and Submission of Complaints No. SSOP 1 Revision 4 on 25 October 2021. This procedure includes, among other things, describing the mechanism for requesting information including handling complaints. In addition, it was also explained that the response period was 14 days. The officer responsible for responding to stakeholders is the Manager / Assistant / Head of Administrations / Public Relations. Furthermore, it is explained that the certification unit encourages the whistleblower to write a clear and complete identity when reporting irregularities that occur. All forms of reporting irregularities will be guaranteed confidentiality by the certification unit. If the complaint cannot be resolved by consultation, it can follow up the next step or go through the process to the RSPO. Other than that, the mechanisms of complaints and grievances of workers described in Chapter VII of CLA Article 34. In the event of employee complaints of employment, worker may submit the matter to the Labor Union to discuss with the company; if it cannot be resolved, settlement efforts are channeled through industrial relation dispute settlement by involving Manpower Agency. This provision also include the option of access to independent legal and technical advice.

To ensure that the procedure can be understood by employees and surrounding community who cannot read and write, Unit of Certification has conducted socialization directly to employee and surrounding community. For example, Unit of Certification has shown evidence of socialization

**Status: Comply**

**4.3**

**The unit of certification contributes to local sustainable development as agreed by local communities.**

**4.3.1**

PT Adei Plantation & Industry – Mandau POM has collaborated with plasma plantations with the surrounding community in accordance with the Minister of Agriculture Regulation No. 98 of 2013. The company is currently in the process of establishing a partnership to facilitate the development of plasma plantations in several villages around the company, for example with the Kelompok Tani Jaya in Muara Basung Village (No. 001/AD-KM/PKSMPKM/IV-2022) and Gabungan Kelompok Tani Tunas Harapan (No.003/AD-KM/PKSMPKM/VOOO-2022) in Tengganau Village. Especially for Tengganau Village, it is currently still in the process of being approved by the Pinggir District Head and the Head of the Bengkalis Regency Plantation Service. This is

also in accordance with the results of interviews with the Plantation Office of Kampar Regency.

PT Adei Plantation & Industry – Mandau POM has programs for development around the plantation, among others, through various activities in the fields of education, health, road construction, agriculture, productive business, sports, arts and culture and religion. The program was made in the form of CSR in 2021 – 2022 which is based surrounding community's request.

The recording is in accordance with the results of public consultations with representatives of Titian Antui & Balai Raja Urban Village, where the company has carried out activities that are beneficial to the surrounding community.

Based on interviews and review of these documents, the company has carried out development around the plantation, among others, through various activities including education, health, road construction, agriculture, productive business, sports, arts and culture and religion.

**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 company shows land ownership documents for Mandau POM with the following details:

##### **Plantation Business Permit**

- Plantation Business Permits (IUP) are issued by the District Plantation Office. Bengkalis Number: 744/UT.512/VI/2004, dated June 18, 2004 regarding Plantation Business Permit (IUP) a.n. PT ADEI P&I Kebun Mandau Pinggir District. The letter stated that "On behalf of the Bengkalis Regent through the Head of the District Plantation Service. Bengkalis agreed to grant An IUP. PT ADEI P&I Kebun Mandau, with an area of 14,900 Ha in Pinggir District, Bengkalis Regency with the following provisions:  
Types of plants cultivated: Palm Oil: 8,900 Ha & Rubber : 6,000 Ha  
PT Adei P&I has obtained approval for the conversion of rubber plantations to oil palm plantations from the Governor of Riau through letter no 503/BP2T/13.08 dated 7 April 2010.
- Regarding the change in land area, the company shows a letter of approval for the change in land area through a reduction in the area of the plantation business permit by PT Adei Plantation & Industry No. 525/Disbun-Prod/XII/2021/255 dated December 13, 2021 from the original 14,900 Ha to 11,571,17890 Ha. The Plantation Business Permit issued by the OSS system has been shown on May 24, 2021 (21st amendment).
- For processing units, the company has a Plantation Industry Business Permit based on letter no. 746/U.T.513/VI/2004 dated June 18, 2004 by the Plantation Service of Bengkalis Regency on behalf of the Regent of Bengkalis for the Palm Oil Mill of PT ADEI Plantation & Industry Kebun Mandau, Pinggir District with a factory capacity of 80 tons/hour.

##### **Land Use Rights**

the company already has an extended HGU which was issued on July 16, 2021. From the results of the verification of the HGU certificate document, it is known that the basis for registering the HGU certificate is based on BPN Decree No. 143/HGU/BPN/2004 dated November 3, 2004. The HGU Certificate was issued on July 16, 2021 and expires on December 31, 2045 with a total land area of 11,568,978 Ha, including:

- HGU Certificate No. 23 which is located in Tengganau Village to Titian Antui for an area of 384,800 M2.
- HGU Certificate No. 24 which is located in Tengganau Village to Titian Antui for an area of 260,500 M2.
- HGU Certificate No. 25 which is located in Tengganau Village to Titian Antui for an area of 1,123.1 Ha.
- HGU Certificate No. 26 which is located in Tengganau Village to Titian Antui for an area of 209 Ha.
- HGU Certificate No. 27 which is located in Tengganau Village to Titian Antui for an area of 2,144.1 Ha.
- HGU Certificate No. 28 which is located in Tengganau Village to Titian Antui for an area of 167.2 Ha.
- HGU Certificate No. 29 which are located in Tengganau Village to Titian Antui for an area of 246.3 Ha.
- HGU Certificate No. 30 which is located in the village of Tengganau to Titian Antui for an area of 289.1 Ha.
- HGU Certificate No. 31 which is located in Tengganau Village to Titian Antui for an area of 685.2 Ha.
- HGU Certificate No. 32 which is located in Tengganau Village to Titian Antui for an area of 174.8 Ha.
- HGU Certificate No. 33 which is located in Tengganau Village to Titian Antui for an area of 657.7 Ha. There is a change



in the area of the certificate No. 33 based on the waiver letter dated February 7, 2022, covering an area of 1.4 hectares so that the area of certificate no. 33 to 656.3 Ha. Stipulated on February 15, 2022. The revision is related to the pipeline area (gas).

- HGU Certificate No. 34 which is located in the village of Tengganau to Titian Antui for an area of 130.6 Ha.
- HGU Certificate No. 35 which is located in Tengganau Village to Titian Antui for an area of 827.5 Ha.
- HGU Certificate No. 36 which is located in Tengganau Village to Titian Antui for an area of 274 Ha.
- HGU Certificate No. 37 which is located in the village of Tengganau to Titian Antui for an area of 164.7 Ha.
- HGU Certificate No. 38 which is located in Tengganau Village to Titian Antui for an area of 1,658.8 Ha.
- HGU Certificate No. 39 located in Tengganau Village to Titian Antui for an area of 453.4 Ha.
- HGU Certificate No. 40 located in Tengganau Village to Titian Antui for an area of 327,600 M2
- HGU Certificate No. 41 which is located in Tengganau Village to Titian Antui for an area of 2,265 Ha.
- HGU Certificate No. 42 located in Tengganau Village to Titian Antui for an area of 25,880 M2

Based on the explanation above, the total area covered for certification scope is 11,568.98 ha.

#### **4.4.2 & 4.4.4**

The company has freed its management area from other rights and interests as shown in the stages of acquiring land rights to Mandau POM. All records are kept by the company in the form of hard and soft copies with appropriate language. Here are some recordings:

- The company shows the Decree of the Governor of the Head of Riau Province No. KPTS.30/I.L-VIII/1989 dated August 30, 1989, regarding the Location Permit and the Liberation of Rights/Purchase of Land covering an area of approximately 15,800 (Fifteen Thousand Eight Hundred) hectares in Mandau District, Kabupaten Bengkalis, for a rubber plantation under the name of PT Adei Crumb Rubber Factory. Referring to the Deed of Notary Yanty Sulaiman Sihotang No. 187 dated July 30, 1993, it is known that there was a change from PT ADEI Crumb Rubber & Factory to PT Adei Plantation & Industry. The company has also shown a Location Permit Map with a scale of 1:100,000.
- Has a release permit based on the Decree of the Minister of Forestry No. 027/Kpts-II/90 concerning the Release of Forest Areas in Riau Province, namely as a forest group of S. SamSam – Penaso River in the district level II Bengkalis covering an area of 15,526 ha.
- Statement letter signed on stamp duty by each group leader regarding the settlement of land compensation payments dated January 7, 2004 for the arable land of 8 community groups covering an area of 2,300 ha.

Based on the results of interviews with the representatives of Titian Antui & Balai Raja Urban Village, it is known that the company has carried out land acquisition for the area it manages.

#### **4.4.6**

Regarding the annual review, the company has done it in the SIA evaluation record which also involves stakeholders, such as community representatives and also relevant agencies. For example, the company has evaluated the partnership pattern development program with the Jaya Farmers Group in Muara Basung Village (No. 001/AD-KM/PKSMPKM/IV-2022) and the Tunas Harapan Farmers Group Association (No.003/AD-KM/ PKSMPKM/VOOO -2022) in Tengganau Village, where the program is planned to be completed within the next 2 years.

#### **4.4.3**

The company can show a map of HGU with a scale of 1:100,000 which describes the land rights owned by the company as the basis for the company's operational area. In addition, based on the results of overlaying the HGU area of PT Adei Plantation & Industry with PIPPIB XV with a scale of 1: 150,000, it is known that the HGU area of PT Adei Plantation & Industry is not under the moratorium on forest and peat areas.

#### **4.4.5**

Based on the Minutes of the Land Inspection Committee B No. 9/2020 dated 23 December 2020 it was explained that "as the statement letter dated 16 December 2020 stated that 3 village heads in Pinggir District namely Semunai Village, Muara Basung Village, Tengganau Village and 2 village heads in Talang Mandau District namely Penaso Village and Koto Pait Village approved and supported the extension of the HGU of PT Adei Plantation & Industry and agreed to accept the decision on the minutes of

the claim of 5 Villages on the HGU of PT Adei Plantation & Industry on December 3, 2020 and there were no claims and claims against the HGU of PT Adei Plantation & Industry. Based on the results of interviews with the representatives of Titian Antui & Balai Raja Urban Village, In the previous land compensation process, the community was not represented by anyone, but was witnessed by representatives of the village management.

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**

There is no change from the previous assessment. The company has not carried out any new planting's activities.

Status:

**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,**

The company has a procedure regarding identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation on SOP 6 "Prosedur Penyelesaian Sengketa Lahan" (10 August 2017), which is the process for resolution available in flow chart. FPIC process is described in the procedure. The procedure compiled by management reference by local regulation.

Based on interviews with Representatives Titian Antui and Balai Raja Urban Village, information was obtained that there is no company plantation land originating from customary land rights.

**4.6.2**

Based on the management's explanation and a review of the land compensation procedure, the company always refers to the local government regulations and will update it in accordance with the existing office regulations in Indonesia.

**4.6.3**

Based on the results of the public consultation with the Kelompok Tani Jaya, which is currently still in the process of partnership for plasma plantations, it is known that there is land ownership represented by women farmers. This proves that the company provides opportunities for women to become members of the plasma assisted by the company.

**4.6.4**

The land compensation process in the PT Adei Plantation – Mandau POM area has been carried out in the early days of plantation clearing. Documents related to land compensation are kept at the Pekanbaru Head Office and partially archived at the Plantation Unit Office. According to the available recorded evidence, it is known that the land compensation process in the KJU area was last carried out in 2007 and KMS was last carried out in 2003 - 2004.

Based on the information in the previous assessment, known that there is an area of customary land in the HGU of PT Adei Plantation & Industry, namely the area of the Sakai Malay community. This area is an area that has been designated as a conservation area through a Statement Letter from the Regional Director of PT ADEI P&I Kebun Mandau No: TKY/2013/047, dated December 4, 2013 regarding the Determination of Land Status for the Mandau Plantation.

However, at the time of renewal the HGU in 2021, the community area has been removed from the HGU, which is explained in the minutes of committee B. In the minutes of committee B it is explained:

Whereas the area being applied for based on the map of land No. 23/2019 on July 23, 2019, an enclave was carried out consisting of:

- Community area
- Toll roads
- Village access road
- etc.

That recorded evidence of land compensation is accompanied by a negotiation process, land documentation, proof of payment and also a map of the location of the area signed by both parties.

Status:

**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**

The procedure for compensation for the purchase of land is also contained in the SOP 6 "*Prosedur Penyelesaian Sengketa Lahan*" (10 August 2017). The procedure also explains the identification, calculation and compensation for the loss of legal rights and traditional rights for each landowner who is entitled to be compensated.

**4.7.2**

The procedure also explains that the payment of compensation is fair without harming one party. Based on that procedure verification, that during the compensation process for growing plantings for community arable areas, the company carried out a mechanism of negotiation without coercion, joint measurement, deliberation on price fixing involving the relevant agencies and payments to the direct owner or a designated group representative. The procedure has implemented FPIC principles, where the compensation process will not be carried out without the agreement of both parties.

**4.7.3**

This can be proven from the results of an interview with the previous landowner from Titian Antui and Balai Raja Urban Village, he explained that there was no coercion in the process of selling the land, the compensation process has also implemented an FPIC system, there is no coercion and it is agreed by both parties without harming anyone.

Status:

**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; 4.8.4; 4.8.3; 4.8.4**

Based on the results of the area statement document verification, interviews with representatives of Titian Antui and Balai Raja Urban Village and representatives of the Bengkalis Regency Land Office, it was found that there were no land disputes in the operational area of PT Adei Plantation & Industry.

In addition, based on the Minutes of the Land Inspection Committee B No. 9/2020 dated 23 December 2020 it was explained that "as the statement letter dated 16 December 2020 stated that 3 village heads in Pinggir District namely Semunai Village, Muara Basung Village, Tenganau Village and 2 village heads in Talang Mandau District namely Penaso Village and Koto Pait Village approved and supported the extension of PT Adei Plantation & Industry's HGU and agreed to accept the decision of the minutes of the 5 Villages' claim on PT Adei Plantation & Industry's HGU on December 3, 2020 and there were no demands and claims against PT Adei Plantation & Industry's HGU.

Status:

**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 & 5.1.4**

Related to scheme smallholder FFB purchase, based on document review and interview with management, Mandau POM didn't accept FFB from smallholders or out growers during last year.

**5.1.3**

based on document review and interview with management, Mandau POM didn't accept FFB from smallholders or out growers during last year.

**5.1.5**

Based on the results of interviews with contractors PT Abid Pratama Mandiri (housing contractor), it is known that the company has provided opportunities for the community around the company to cooperate in the company's operational activities by becoming a contractor. In addition, it is known that the cooperation with the company has been well established and transparent. So far, it is also known that there are no problems with payments made.

**5.1.6**

The pricing mechanism above has been explained and regulated in a partnership / work agreement with contractor namely PT Dongan Yakin Bersama. In the agreement, there is a clause that regulates that pricing based on mutual agreement. Based on documents verifications revealed that the payment for contractor was in accordance with the agreement set by both sides.

**5.1.7**

The company shows the Test Result Certificate for two weighbridges on POM, here's the detail:

- Result of Calibration Test No. 800/UPT-MET/SKHP/2022/VI/48, dated 14 June 2022 for the weight bridge calibration carried out by the Legal Metrology Technical Implementation Unit of the Department of Trade and Industry of Bengkalis Regency with the type of Electronic Bridge Scale Capacity of 50,000 Kg Scale 10 Kg with the brand UWE WE 2001 NVF 10078. The results of the test is "Authenticated based on the Law of the Republic of Indonesia Number 2 of 1981 concerning Legal Metrology by Affixing the Valid Calibration Sign", and valid thru 9 June 2023.
- Result of Calibration Test No. 800/UPT-MET/SKHP/2022/VI/49, dated 14 June 2022 for the weight bridge calibration carried out by the Legal Metrology Technical Implementation Unit of the Department of Trade and Industry of Bengkalis Regency with the type of Electronic Bridge Scale Capacity of 50,000 Kg Scale 10 Kg with the brand UWE WE 2001 NVF 10494. The results of the test is "Authenticated based on the Law of the Republic of Indonesia Number 2 of 1981 concerning Legal Metrology by Affixing the Valid Calibration Sign", and valid thru 9 June 2023.

**5.1.8**

Currently there are no independent smallholders in the vicinity of the company. The company has supported farmers by establishing plasma plantations. PT Adei Plantation & Industry – Mandau POM has collaborated with plasma plantations with the surrounding community in accordance with the Minister of Agriculture Regulation No. 98 of 2013. The company is currently in the process of establishing a partnership to facilitate the development of plasma plantations in several villages around the company, for example with the Kelompok Tani Jaya in Muara Basung Village (No. 001/AD-KM/PKSMPKM/IV-2022) and Gabungan Kelompok Tani Tunas Harapan (No.003/AD-KM/PKSMPKM/VOOO-2022) in Tengganau Village. Especially for Tengganau Village, it is currently still in the process of being approved by the Pinggir District Head and the Head of the Bengkalis Regency Plantation Service. This is also in accordance with the results of interviews with the Plantation Office of Bengkalis Regency.

**5.1.9**

The company has SOP 1 Procedure on Requesting and Providing Information, Communication and Submitting Complaints no. revision 2 dated 10 August 2017. In this procedure, it is explained that complaints can be submitted through management (complaint logbook), worker foremen, suggestion box, gender committee, trade unions, hotline & email.

**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, 5.2.2, 5.2.3, 5.2.5**

Based on production data for 2021-2022 and the results of interviews with company management, there has not been any receiving FFB from outside parties, the supply of FFB from the plantation itself.

**5.2.4**

The company has conducted training activities related to the technical application of fertilizers and chemicals for oil palm plants in Maju Bersama Village on 5 July 2022. There are recordings of training meetings as well as the absences of residents of the surrounding community.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS****6.1****Any form of discrimination is prohibited.****6.1.1**

Unit of Certification has a policy of non-discrimination and equal opportunities. Policies on equal opportunities and treatment to get the job described in KLK Sustainability Policy on 30 August 2018 towards the implementation in industrial relation. This policy explains that the certification unit provides equal treatment regardless of ethnicity, religion, racial, nationality, gender, sexual orientation, membership union, political affiliation, or age. This policy is publicly available, and stakeholder can access it upon request.

Based on worker's recruitment document, Unit of Certification had provided equal opportunities in recruitment and operational activities. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief. Based on result of public consultations with agencies, worker unions, and gender committees stated that there were no cases of discrimination in obtaining employment opportunities. Based on interviews with the gender committee, women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work. This is in line with the results of the field visit, as for example, there were sprayers who were female and are given equal rights and wages.

**6.1.2**

Unit of Certification has shown job vacancy announcements and work agreement letters between workers and Unit of Certification which showed that there was no payment requested during the recruitment process. In addition, in job vacancies that have been published by Unit of Certification, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief. Besides, employee list document of August 2022 also shown there is no discrimination, as for example employees' belief who work consist of Muslims, Catholics, Protestant Christians, Hindus and Buddhists.

Based on result of interviews with manpower agency, gender committee, labor unions, and workers at MPOM, KMU and KMS, it is known that workers have never felt that Unit of Certification has discriminated against them. It was explained that all activities from recruitment, performance appraisal, and promotion were given equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in labor unions, politics, or age. There was no difference in communication between supervisors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by supervisors. In addition, based on interviews with surrounding community sighted that so far there have been no acts of discrimination within the certification unit or its surroundings. The certification unit always provides equal opportunities to the surrounding community to work in the certification unit in accordance with the provisions and needs set. Unit of Certification also didn't request for any payment during the recruitment process.

**6.1.3**

During recruitment process, Unit of Certification had set the standard of competence that required based on offered position. Selection had included evaluation of skills, performance and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with Unit of Certification regulation including rights of worker as well. Records on manpower procedure had been documented, as verified randomly to several documents, here as follows:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), result of written test, result of interview test, and work agreement letter. For example, a worker on behalf of IRW (initial) who started working on 15 June 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of AER (initial) in KMS who had a promotion based on worker's appraisal based on 3 criteria, namely: ability to work, how to work, and self-management, and recommended to promote from harvest foreman to field staff in 2022.
- Termination document such as the management decree of employment's termination on behalf of JDS (initial) in KMS. Unit of Certification also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination payments, and proof of its payment in accordance with the applicable laws.



Job opportunities were communicated and given to surrounding villagers at priority where no discrimination found observed during interview and related records of workers being employed. All workers are treated equally in accordance with company regulation including rights of worker as well.

**6.1.4**

Based on field observation, interviews with the management and workers, it is known that there were no discriminatory in pregnancy testing given by the company. The pregnancy test conducted only to ensure that no pregnant workers in any agrochemical works such as pesticide application and fertilizing activities proven by there was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. All pregnant workers placed in non-agrochemical works such as day care keeper, manual upkeep, and loose fruit picker.

Unit of Certification also showed list of pregnant woman and breastfeeding mothers that showed all women placed in non-agrochemical works (e.g., manual upkeep and office staff).

**6.1.5**

Gender committees have been formed and are still active today in Unit of Certification which is chaired by committee chairperson along with coordinators in several sections and there are representatives in each unit. Structure of gender committee consists of male and female workers. Based on document verification, gender committee organization structure is established on 29 July 2022. This structure of gender committee has been included all unit. Gender committee consists of Chairman (a.n. dr Juminten), Secretary (Irawan Saputra), and Treasurer (Hotmaida Lastiar). Main objective of forming gender committee is to provide a forum that can accommodate aspirations/complaints of workers, as Unit of Certification partners in carrying out activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. Unit of Certification informed that they also held socialization about gender committee. For example, company has shown evidence of socialization of gender committee which was held in KMU & KMS on 2 March 2022 and attended by 15 participants.

Gender Committee's Program in 2022 which has been implemented including periodic meetings of the gender committee. health check, sports, collaboration with healthy agency, PPE education for female spray employees, health checks of children, toddlers, and infants. Besides, Gender Committee has also established program in 2022 which is still in accordance with program in 2022 including periodic meetings of the gender committee. health check. sports, collaboration with healthy agency. PPE education for female spray employees. health checks of children, toddlers, and infants.

Based on the interviews with workers in MPOM, KMS and KMU, they also knew of the existence of the gender committee because it had been routinely socialized by management. Besides, workers have known that they can report any complain through Gender Committee in each unit.

**6.1.6**

Unit of Certification does not discriminate against workers' rights; it is shown by paying equal employee wages and the same scope of work. Unit of Certification issues decree on payment of wages for mill and estate employees, where the payment of employee wages is based on structure and scale of wages that have been determined by Unit of Certification. For example, Unit of Certification has shown its implementation towards structure and scale wage which shown that wage payment of same work scope of estate worker as upkeep of KMS in August 2022 o.b. AML (initial of female worker) with basic salary of IDR 3,378,647 and ABS (initial of male worker) with basic salary IDR 3,390,647.

Based on result of interviews with workers (harvesters, maintenance workers, and mill operators), workers already know that there was a wage scale structure for each level of workers and this has been proven by difference in monthly wage income presented on pay slip. Based on result of document review of worker's pay slip in both gender and the interviews with the workers in the same grade, it's known that the monthly wages received are in accordance with the grade owned by each worker.

<b>Status: Comply</b>	
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**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**

Unit of Certification had procedures related to regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others which are generally described in Collective Labor Agreement (CLA) for period of 2021-2023 and was written in Bahasa. This CLA of 2021-2023 has also explained working conditions and rights/obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the CLA and in accordance with routine socialization provided by Unit of Certification. Workers' wages in 2022 have been above the minimum wage set by local government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month. Based on interviews with workers (harvesters, pesticide application workers, and mill operators), it is also informed that they had received their wage above minimum wage set by local government (e.g., MPOM workers above Rp. 3,350,646.31/month). Based on document verification and interview with management and workers, employment arrangements in the company consists of direct hires.

Based on the explanation above, it can be concluded that workers have understood the work requirements that have been socialized by the certification unit in an understandable language (Bahasa).

**6.2.2**

Unit of Certification shows example of work agreement for estate and mill employees which explains the terms of work, working time and wages, permits, social security, leave rights, facilities and PPE, worker obligations, training and development, discipline and sanctions, industrial relations, contract termination, etc. The contents of the work contract are in accordance with applicable regulations. The contract has been prepared in languages understood by the workers, explained to workers by management officials, and signed by both the authorised signatory of the company and employee. Based on the explanation, the certification unit can show good documentation related to regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice which has been informed in the CLA.

Unit of Certification has also developed a structure and pay scale that applies to employees with a service period of more than 1 year. It was further explained that the structure and scale of wages were determined based on years of service and an annual performance appraisal by each supervisor. Based on verification of work agreement documents and employee salary slips for the August 2022 period, it is known that all work agreements have been registered to the manpower agency. Regarding employee payroll, the certification unit has implemented a structure and scale of wages for employees with a service period of more than 1 year. Company has shown establishment of minimum wage in each unit. For example, company has established minimum wage in 2022 as shown below:

- Decree of Governor of Riau No. Kpts.1272/XI/2021 concerning Regency Minimum Wage of 2022. The decree stipulated the minimum wage for plantation and the processing sector with a value of IDR 3,350,646.31.
- Memorandum No. 08/2021 dated 7 December 2021 regarding Minimum Wage and Structure and Wage Scale of permanent worker in PT Adei Plantation & Industry in 2022.

Based on verification of work agreement documents and employee salary slips for the August 2022 period, it is known that all worker has been reported to manpower agency. Regarding employee payroll, the certification unit has implemented a structure and scale of wages for employees with a service period of more than 1 year.

Based on field observations and interviews with estate and mill employees, it is known that the certification unit has implemented labor regulations properly in accordance with applicable regulations. It was further explained that until now, there has never been a case related to employment.

Based on document verification and interview with management and workers, there is plan to to outsource the work of security personnel in KMS. Unit of certification has shown this process which started from July 2022 as follows:

- Minutes of the Management Meeting of Mandau Unit which was legalized by AGM Mandau Unit on 16 July 2022 which contains plans to outsource security workers to third parties along with options for job transfers to security guards.
- Minutes of Outsourcing Socialization Phase 1 in KMS units including Division of Office KM3, KM4, and KM5 on 22-26 July 2022 which was attended by all security in each division. The material presented included the outsourcing of security jobs to third parties as well as options for job transfers to become harvesters, transport operators, and MKCP factories through trials. In addition, employees who are over 50 years old will be given pension.
- Minutes of Outsourcing Socialization Phase 2 in KMS units including Division of Office, KM3, KM4, and KM5 on August 18, 2022 which was attended by all security in each division. The material presented included the outsourcing of security work to third parties starting on 1 October 2022 as well as options for job transfer to become harvesters, transport operators, and MKCP factories. The company's reason for doing this is because of an efficiency program. In addition, the company said that Bipartite Phase 1 would be held on 25 August 2022 with workers.
- Letter No. 55/AD-KM/3/VIII/2022 dated 3 August 2022 regarding the request for direction from PT Adei Plantation & Industry to the Manpower and Transmigration Office of Bengkalis Regency. Based on the letter, the company asked for directions for the job transfer program through the outsourcing system (outsourcing in the security sector) to be carried out in accordance with the applicable regulations.
- Letter No. 560/DTKT/HIJ/2022/474 dated August 22, 2022 regarding Instructions and Directions from the Manpower and Transmigration Office of Bengkalis Regency to the leadership of PT Adei Plantation & Industry. The letter contains directives that the company's plan to outsource the field of security work must be guided by the applicable regulations.
- Development Report on KMS Security Outsourcing Plan approved by KMS Senior Manager on 19 August 2022 which contains an update on the status of the development of KMS security outsourcing until 18 August 2022, which is until the second stage of socialization to security guards and a Bipartite meeting will be held between the two parties.
- Minutes of Bipartite Phase 1 which was held on 25 August 2022 in KMS units including the Office Division, KM4, KM5 and KM6 which was attended by all security in each division. The conclusion of this activity is that the demand for workers is divided into requests to be given the opportunity to change jobs, remain as the coordinator of the security of the Mandau Estates, recommendations to become workers in third parties for security service providers, and early retirement. In addition, both parties agreed to carry out the Second Phase of Bipartite.
- The results of the KM5 and KM6 Division Security Work Transfer Selection Training and Test which were carried out in the first week of September 2022 with assessment criteria in the form of attitude, loyalty and responsibility, work techniques, and work ability. The participants who took the job transfer test were 10 people for harvesters and 9 people for loading workers. Meanwhile, the KM4 Division unit is still in the process of implementing the job transfer test.
- Examples of pension applications submitted by security workers o.b. DTM (initials) and ESR (initials) on 27 August 2022 and 9 September 2022 with reasons to take care of parents in the village. The company has also shown a draft Collective Agreement document related to the calculation of pension funds for employees that has been in accordance with applicable regulations.

Based on the results of interviews with workers and management, the outsourcing process for security work is still ongoing until the recertification assessment is carried out. Therefore, company is encouraged to ensure that the plan to outsource the work of security personnel in KMS unit starting in July 2022 is in accordance with applicable regulations, including the provisions in the work agreement. **(OFI)**

### **6.2.3**

Unit of Certification had procedures related to regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others which are generally described in Collective Labour Agreement (CLA) for period of 2021-2023 and was written in Bahasa.

Unit of Certification showed overtime payment in August 2022 that has been in accordance with applicable laws for workers Result of review of pay slip document for August 2022 above, proved that wages received are above minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. The certification unit shows documents related to evidence of compliance with labor provisions as follows:

- Mill employee salary slip with employee on behalf of WGN (initial) for boiler worker and GNW (initial) for sterilizer worker for August 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations. apply.
- Documents for submitting overtime work for the period August 2022, for example an Order and Approval for Overtime Work for employees with employee on behalf of WGN (initial) for boiler worker and GNW (initial) for sterilizer worker dated 1 August 2022. The work includes night service and patrol guarding the postal area. The document has been signed by the employee concerned as a sign of approval of the overtime work order.
- Overtime payment on August 2022 for workers who work more than 7 hours a day which details of overtime calculation is in accordance with applicable regulations. The salary is given by transferring to the bank account of each employee. Thus, the certification unit has carried.

Unit of Certification has also shown paid leave letter which was shown below:

- Maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after). For example, paid leave letter on behalf of RMS (initial) in KMS approved by the supervisor on 3 February 2022.
- Regular employee paid leave on behalf of MNN (initial) in KMS approved by the supervisor on 7 March 2022.

Unit of Certification had shown their consistency in this recertification assessment of work agreements that are owned by every worker so there was no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties.

#### **6.2.4**

Unit of Certification has provided facilities and infrastructure on each estate and mill provides for employee welfare. Based on field observations at employee facilities, the following are known:

- Housing with livable conditions in the form of permanent buildings for workers located in estates and mills. Housing is provided for each family, while single employees occupy a house with 3 occupants.
- The source of clean water comes from well water with suitable conditions for use. For central housing and factories get water supply from water treatment.
- Medical services are provided by clinics located in KMU. The distance to health facility I is approximately 10 KM (about 30 minutes' drive). There are clinics with doctors and nurses who have been certified Hyperkes, as well as ambulance facilities if a referral to a hospital when needed.
- Educational facilities are available for Early Childhood Education (*PAUD*), Kindergarten (*TK*), and Elementary School (*SD*) in each estate. As a supporting facility for school children, the certification unit has provided transportation facilities in the form of a pick-up bus.
- Places of worship in the form of Mosque and Church. Sports facilities include soccer fields, volleyball and badminton. In addition, there are employee halls, child care facilities, and canteens that provide basic needs/staple food for employees.

Based on interviews with estate and mill employees revealed that the infrastructure provided by the certification unit was adequate and proper.

#### **6.2.5**

There is traditional market are near from housing complex of Unit of Certification which can be accessed by workers within thirty minutes. Moreover, there is temporary market comes from surrounding communities every week which is movable from each unit. In addition, traders who are allowed to sell in a residential area make it easier for workers to access food sources. This matter has been verified through consultation with worker cooperative, labor union, as well as housing residents.

Based on interviews with estate and mill workers, labor unions and gender committees, it's known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities. In addition, workers can buy these needs to the markets around the company's area without any difficulties.

#### **6.2.6**

There is no living wage standard is established in Indonesia, so Unit of Certification still implemented national minimum wages

for all workers. In addition to payment of minimum wages, Unit of Certification has been conducting an assessment of prevailing wages and in-kind benefits provided to workers in Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage.

Unit of Certification has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2022 has been included in the calculation of housing facility cost, water cost, educational cost, and health cost. Standard of wage eligibility referred to by the unit of certification is minimum wage. A detailed explanation of minimum wage is provided in indicator 6.2.1. The components included in the calculation of a living wage include the following:

The standard of wage eligibility referred to by unit of certification is Bengkalis District minimum wage. A detailed explanation of district minimum wage is provided in indicator 6.2.2. The DLW Benchmark for Indonesia has not yet been determined, however, company has simulated the Prevailing Wage calculation. Based on document verification, calculation of prevailing wage is rationale based on local prices and rates. The components included in the calculation of a living wage include the following:

- Bengkalis District minimum wage in 2022 : IDR 3,350,646.31
- House : IDR 807,116.14
- Electricity & Water : IDR 151,319.35
- Education : IDR 19,631.12
- Child care : IDR 172,191.62
- Health : IDR 34,228.30
- Recreational sports and religious days : IDR 8,671.08

### 6.2.7

Based on interviews with management representatives revealed that the type of work that is permanent refers to the Decree of the Central Executive Board of GAPKI No. SK/002/PPG/II/2013 dated February 8, 2013 regarding the flow of work implementation processes in the oil palm plantation business sector. In the decree, the types of work that fall into the main (permanent) activity category are harvesting and processing fruit into CPO. Based on list of workers document verification sighted that on July-August 2022, there are only permanent workers in all main activities including harvesting and processing fruit into CPO. Based on interviews with worker's representatives as well as the results of field observation, it is known that all main activities have been carried out by permanent workers.

**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

Unit of Certification has a written policy of the freedom of association in KLK Sustainability Policy on 30 August 2018. There is a point in it that states that the company gives freedom to all workers to associate in accordance with the applicable laws and regulations. The KLK policy can be seen on the company's website. CLA Article 4 "recognition of rights of company and labor union". Referring to Law (UU) No. 21/2000 about union/labor union, company respects to rules and regulations which applicable in the law, including matters of the freedom of association in organization of workers/labors who are basic rights of workers as stipulated in the law. There was 4 Labor Union at PT Adei Plantation & Industry and have been registered to Manpower Agency, including: KSPSI (*Konfederasi Serikat Pekerja Seluruh Indonesia*), SBRI (*Serikat Buruh Riau Independen*), SPPP-SPSI (*Serikat Pekerja Pertanian Dan Perkebunan Serikat Pekerja Seluruh Indonesia*), and SBSI (*Serikat Buruh Sejahtera Indonesia*). All workers given freedom to choose their union. Based on result of document review, it's known that Unit of Certification also documented the number of labor union operating in company operations area and its members' number as per August 2022. For example, there are 242 total members of SPPP-SPSI (*Serikat Pekerja Pertanian Dan Perkebunan Serikat Pekerja Seluruh Indonesia*) and 136 total members of KSPSI (*Konfederasi Serikat Pekerja Seluruh Indonesia*) in PT Adei Plantation & Industry.

Implementation of the policy is the existence of Labor unions. The election of administrators was also carried out democratically without any intervention from the company. Result of interviews with workers showed that union has been running in accordance with its purpose of conveying the aspirations of workers to the company.

**6.3.2**

Unit of Certification has well-documented the records of meetings between labor unions and management representatives as well as with internal union meetings. For example, record of meetings conducted by labor unions in 2022 is meeting between SPSI and PT Adei Plantation & Industry on 9 June 2022 to discuss about workers negotiations regarding to warning letters receipt which was attended by 8 participants from management of PT Adei Plantation & Industry, representatives of SPSI and workers.

Based on the interviews with labor union representatives and their members who work in each unit, it's known that the labor union held meetings whenever it's needed. The meetings accommodated in bipartite and internal meeting and there has been no labor issue that brought to Manpower Agency.

**6.3.3**

Based on the interviews with the labor union representatives, there was no interference in the selection or labor union operational activities. All processes of selecting, decisions making and planning activities, members' aspirations to their representatives run democratically. The worker who is currently placed as Chairman of the Labor Union in each unit is a worker at mill and estate, then there will be no conflict of interest that occurs with the company because there were no workers who have the authority as decision-makers (staff class and above). Company also involved the labor union in drafted Collective Labor Agreement (CLA).

Establishment of labor union was in accordance with the applicable laws and regulations and has been recorded at the Manpower Agency. Unit of certification was giving freedom for workers to express their aspirations and did not give any intervention related to labor union activity. Based on the interview with workers, it's known that there was no mandatory to be the member of labor union. The membership of labor union is voluntary.

**Status: Comply**

**6.4**

**Children are not employed or exploited.**

**6.4.1**

Unit of Certification has policy on child and female workers as stated in employment and human rights policy which was approved by the Regional Head on 28 May 2020. The policy regulates the basic principles of human rights protection such as:

- Providing equal employment opportunities without discriminating against race, religion, degree, ethnicity, gender, skin colour, imperfection of body defects, protection of female workers and so on.
- Protecting female workers from sexual harassment, acts of violence and rights related to women's reproduction.
- Respect and respect the right of every worker to form or become a member of a trade union in accordance with Law No. 21 of 2000.
- Do not employ children under the age of 18.
- Respect human rights.

Document verification results reveal that there are no workers under the age of 18. The process of hiring employees this is evidenced by the Identity Cards at the time of employee recruitment. In addition to having a policy governing minimum age of workers for workers, Unit of Certification also includes a clause on child protection and a prohibition on employing workers under the age of 18 in any agreement with contractor. Based on document verification and interview with local contractor, it has been included into service contracts and supplier agreements.

**6.4.2**

Unit of Certification has employee's recruitment policy on KLK Sustainability Policy on 30 August 2018. It states that company will not employ children. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical checkup. Unit of Certification has a policy on child labor, and in CLA also stated that the minimum age for workers is 18 years old.

This policy has been communicated to all workers, suppliers and contractors respectively. Records of personal data of



employees - age, marital status, position and rank, location of work, date of commencing employment - are kept. Checking records of last recruitment and interviews with employees confirmed that no one under 18 years old has been employed. During field observation at estates and mill also showed that there were not found any workers under working age.

#### 6.4.3

Based on field observation and verification of each estate and mill employee list documents for the period of April-May 2022 did not find any workers who were less than 18 years old at the time of hiring.

#### 6.4.4

Unit of Certification has employee's recruitment policy on KLK Sustainability Policy on 30 August 2018. It states that company will not employ children. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical check-up. Unit of Certification has a policy on child labor, and in CLA also stated that the minimum age for workers is 18 years old.

Unit of Certification also showed that they had socialized the policy to relevant parties. For example, the socialization was held in March 2022 to workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, Company also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement. Company also put a warning board which disallowance the children existence in the work area.

Based on interviews with the gender committee and workers in the field revealed that the workers had understood the rules regarding the prohibition of bringing children to work. The certification unit also showed the news of the socialization and education on child protection and development on 2 March 2022 and attended by 15 participants.

Status:

### 6.5

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

#### 6.5.1

Commitment to prevent sexual and all other form of harassment and violence is regulated in KLK Sustainability Policy on 30 August 2018, concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. To support this, Unit of Certification has formed a Gender Committee in each unit as a place to submit complaints and complaints regarding violations of reproductive rights/women and sexual harassment.

There is gender committee established to resolve if sexual harassment occurs. The policy on sexual harassment and reproductive rights of women are imposed on contractors by being included in their contractual agreements. Unit of Certification was developed protocol flowchart for sexual harassment reporting. Each of units (mill and estates) has their own gender committee that supported with annual work programs. Estates annual Work Programs, includes: periodic meetings of the gender committee. health check, sports, collaboration with healthy agency, PPE education for female spray employees, health checks of children, toddlers and infants. Based on document verification, Unit of Certification has shown evidence of socialization of this policy which was held in KMU & KMS on 2 March 2022 and attended by 15 participants.

Based on information from electronic media (website), gender committee and labour union representatives, as well as female employees, it was known that there is no negative issues and such case related to reproductive right, sexual harassment, violence and discrimination in the work place. Interviews with female workers during field visits (e.g. sprayers, loose fruit pickers, manual upkeep workers, etc.) confirmed that they understood the policy about sexual harassment and the reproductive rights.

#### 6.5.2

Unit of Certification has KLK Sustainability Policy on 30 August 2018, concerning the prevention of sexual harassment and violence and other forms. There is also employment and human rights policy which was approved by the Regional Head on 28 May 2020. The policy regulates the basic principles of human rights protection such as

- Providing equal employment opportunities without discriminating against race, religion, degree, ethnicity, gender, skin colour, imperfection of body defects, protection of female workers and so on.
- Protecting female workers from sexual harassment, acts of violence and rights related to women's reproduction.



- Respect and respect the right of every worker to form or become a member of a trade union in accordance with Law No. 21 of 2000.
- Do not employ children under the age of 18.
- Respect human rights.

Unit of Certification has also regulation in CLA 2021-2023 of menstrual leave for female worker which is given for two days after it is checked by medical worker in clinic. Based on document verification sighted that Unit of Certification has also shown example of socialization of this policy to worker which was held in KMU & KMS on 2 March 2022 and attended by 15 participants.

Based on document verification, Unit of Certification has given menstrual leave and maternity leave of female workers. For example, maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after). For example, paid leave letter on behalf of RMS (initial) in KMS approved by the supervisor on 3 February 2022. Besides, there is also example of menstrual leave on behalf of MNN (initial) in KMS approved by the supervisor on 7 March 2022.

Unit of Certification has also shown result of list of pregnant women and young mother on each unit for period of 2021-2022. For example, Unit of Certification has shown pregnant women and young mother monitoring in KMS in 2022. Based on result of document verification, there are 8 pregnant women and 5 young mother in KMS.

Based on the interviews with the gender committee and day care officer, company had given time for breastfeeding woman and provided certain place for breastfeeding. This is one evidence that the company supports the protection of reproductive rights, especially for women.

### 6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the company has provided a certain place for breastfeeding at day care with special time to breastfeed. There was no prohibition from supervisors in field related to this matter.

Unit of Certification has specifically provided need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities. Unit of Certification also showed the result of new mother's needs identification by Gender Committee in KMS which was conducted on 13 March 2022. From the results of the assessment, several things were known as follows:

- Provision of a lactation room.
- Provide breaks for breastfeeding.
- *Posyandu* for children and mothers.
- Breastfeeding counselling.
- Work placement near landfill.
- Job transfer for pregnant and lactating women.
- Extra fooding for new mothers giving birth.

### 6.5.4

The complaint handling mechanism and system is described in SOP 1 regarding the procedure for submitting complaints Revision 4 on 25 October 2021. Complaints can be submitted through recording in the logbook that has been provided, directly to the foreman, through the suggestion box, through the gender committee, worker unions, hotlines and email provided by the certification unit and via the RSPO website. This procedure has included mechanism to handle employment grievances, that respects anonymity and protects complainants where requested.

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

- The community head / foreman will record verbal complaints in the complaint logbook within 3 days.
- Complaints regarding work practices can be submitted through the union
- Complaints including whistle-blowers and anonymous cases can be reported via suggestion box, suggestion box checked by GM / director

- Complaints regarding gender and sexual harassment can be submitted through the gender committee

Based on interviews with women workers in day care and gender committees, it is known that they understand the related policies. It was further explained that so far there have been no problems or complaints related to reproduction in the workplace and they all know the mechanism to file a complaint.

Status: Comply

**6.6**

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

**6.6.1**

Unit of Certification has established and documented policy about force or trafficked labour in KLK Sustainability Policy on 30 August 2018. Unit of Certification forbids child labour, forced labour, provide work contract in language that understood by workers and make sure the payment gives to workers in simple ways, on time and clear.

Unit of Certification has also shown that on each work agreement between Unit of Certification and contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to anti-bribery, anti-corruption, and anti-forced labor. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before contractor does work.

Based on result of interview with manpower agency, gender committee, labor union, and workers at estates and mill, there is no issue of discrimination and forced labor in Unit of Certification. There were no significant obstacles related to employment or violations of Unit of Certification regulations. Unit of Certification provided output targets that can be obtained in 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned above the minimum wage.

There were no pressure/forced in doing overtime work, workers who had overtime at Unit of Certification can refuse if ordered to do overtime activities because overtime is not the worker's obligation. Based on interview with workers, labor union and gender committee, all work in Unit of Certification was done voluntarily. There are no practices of retention of identity document, payment of recruitment fee, contract substitution; lack of freedom to resign, debt bondage, and withholding of wages in the Unit of Certification.

**6.6.2**

Unit of Certification has employee recruitment procedures explained in Worker Management in Sustainability SOP No. 29 Revision 5 on 13 January 2021. In this procedure, it aims to guide the recruitment process for. Unit of Certification still has no workers with contract status. There was no discrimination between workers. Unit of Certification has also socialized about its policy and procedure related to prohibition of worker discrimination in Unit of Certification to workers.

Based on document verification sighted that there are no migrant workers on this certification unit, there are only permanent workers. In addition, based on interview with worker union board sighted that so far, there has never been a penalty for termination of employment, bonded labor practices, withholding wages, and forced overtime.

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 certification unit have persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (P2K3) established in each management unit. The P2K3 team has received approval from the Head of Manpower and Transmigration of the Riau Province and the P2K3 secretary is a certified occupational health and safety expert. This is the OHS Committee that has been ratified by related agencies, the establishment of the P2K3 (OHS Committee) for PT Adei Plantation & Industry which were registered / approved by the Manpower and Transmigration Agency of Riau Province in 20 January 2022 (Decree No. 124/Disnakertras-PK/SK-P2K3/1/2022).

OHS committee routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting was recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident analysis, report, firefighting simulation, checking of emergency response equipment, OHS sign board, safety patrol, etc. The last P2K3 Meeting in 25 August 2022 on which discussed the evaluation of the annual evaluation of OSH implementation, preparation of insecton, and others attended by P2K3 officers. The certification unit has also routinely reported P2K3 reports to relevant agencies, such as the following example:

- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 1 of 2022 to the Agency of Manpower and Transmigration of Riau Province through POS on 12 April 2022.
- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 1 of 2022 to the Ministry of Manpower of Republik Indonesia through POS on 12 April 2022.
- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 2 of 2022 to the Agency of Manpower and Transmigration of Riau Province through POS on 05 July 2022.
- P2K3 Report of PT Adei Plantation & Industry – Mandau Quarter 2 of 2022 to the Ministry of Manpower of Republik Indonesia through POS on 05 July 2022.

Based on the explanation above, it can be concluded that the certification unit has a person in charge of OHS which has been approved by the relevant agency, the availability of documents for periodic meetings between the person in charge and all the interests of all parties related to OHS have been discussed at the meeting.

#### **Opportunity for Improvement (OFI)**

Based on the results of the review of the P2K3 monthly routine meeting documents for the period from April to June 2022 for plantations and factories, it is known that there were several serious and fatal work accidents that occurred during these months and the management has discussed these matters. However, in the minutes from April to June 2022 on the OHS section, Work Accidents and Other Notes, the explanations are mostly/relatively the same from the previous month to the following month. Though the events that occur in these months are different, for example:

- Minutes in June 2022 there were serious work accidents in Mandau Utara and KMS, but in the previous month (May) serious accidents only occurred in KMS, but the minutes of the two months were mostly the same.
- Minutes in June 2022 there were serious accidents in Mandau POM, but in the previous month (May) only minor accidents occurred, but the minutes of the two months were mostly the same.

Although there are still many similarities in the writing of the minutes of the meeting, the company has carried out different and targeted mitigation activities such as:

- Has carried out accident investigation activities for every work accident that occurred and there is a chronology of events.
- Has carried out several reviews/revisions of HIRAC in accordance with work accidents such as the change in the HIRAC Mandau POM on 20 June 2022 by including mitigation activities that were not previously listed in HIRAC (resin washing, due to a heavy work accident that occurred in June 2022) and was changed again on September 7, 2022 due to the results of the P2K3 meeting considerations that month by adding several activities.
- Routine outreach/socialization activities are related to notes discussed in P2K3 meetings and others.

Based on the explanation above, the company has the opportunity to ensure that every P2K3 meeting minutes are carried out in line with the OHS activities/mitigation that have been discussed and realized.

#### **6.7.2**

The certification unit has a Procedure OHS dan Emergency Preparedness (SSOP No. 24). In that procedure has explained the handling of accidents from reporting to coordination. Simulation was performed regularly to ensure the preparedness of emergency response equipment in the certification unit. The routinely emergency simulation that has been conducted by certification unit for example:

- Emergency Response Simulation on 18 March 2021 at Mandau Complex which was attended by the fire emergency response team and other participants.

- Emergency Response Simulation on 24 May 2022 at Mandau Complex which was attended by the fire emergency response team and other participants.
- First aid training for all first aid workers at KMU on 15 September 2022.
- First aid training for all first aid workers at KMS on 19 February 2022.

Based on the results of field observations in the mill and plantation, it is known that the certification unit has carried out the procedures that have been well related to the emergency response, such as the evacuation route in the mill / office / housing area, the availability of first aid kits in the room or those carried by the first aid officer in the field, and every personnel that have responsibility related to this has understood well the procedures that are owned.

The last first aid training has been conducted in 19 February and 15 September 2022 and certification unit has workers with licensed first aid officers. Certification unit also has a first aid box in each unit and based on document review, it's concluded that the contents in the first aid box are sufficient (21 items) and certification have total of 83 first aid kit. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

Based on interviews with workers in the fields of Mandau POM, KMU and KMS, it is known that since 2021 the certification unit has provided first aid services at PT Adei Plantation & Industry, where each foreman as first aid before a follow-up examination is carried out at the nearest clinic or hospital. The first aid officer (foreman) in the field states that training has been routinely carried out by the company and there are also several officers who have received certificates as First Aid Officers from government agencies and at the time the explanation of the use of each item is quite clear.

### 6.7.3

Based on the results of field visits and interviews with workers (harvester, pesticide applicator and mill operators) in the Mandau POM, KMU and KMS, it is known that workers have received PPE for free every year according to their respective types of work and if there is PPE damaged, it can be immediately reported to the direct supervisor for replacement (free). At the time of the audit, all workers in the estate were seen to have used PPE in accordance with existing standards and the level of risk, such as pesticide applicators using aprons, masks, face shields, gloves, boots, and others. In addition, the certification unit also has proof of the delivery of PPE to all workers every year and replacement of PPE that is damaged, for example:

- Provision of PPE on July 5, 2022 for glasses and September 5, 2022 for boots for harvest workers with the initials GNW.
- Provision of PPE on June 6, 2022 for boots and July 6, 2022 for glasses for harvest workers with the initials SBS.
- Provision of PPE on August 24, 2022 for gloves and August 29, 2022 for sorting uniforms for sorting workers with the initials MEL.
- Provision of PPE on 11 July 2022 for safety shoes and 29 August 2022 for sorting workers' uniforms with the initials MEL.

Every PPE given to all workers (all level workers) is in accordance with the needs, types of work, risks and conditions of the PPE, this has been well documented from the PPE award records kept by the OHS Department. This has been regulated in the hazard identification document, risk assessment and risk control (HIRAC) as well as the PPE For Every Job Specification document.

The certification unit also has a sanitation facility for a pesticide applicator in each unit which is used as a storage, cleaning and replacement area when coming from work to home from work. This is done to ensure that workers arrive clean and come home clean without bringing hazardous chemicals to the home location. Based on the results of field visits to pesticide sanitation facilities in KMU and KMS, it was found that the facilities were clean and well organized, there were room which were used for bathing and cleaning PPE separately.

### 6.7.4

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

The company already has a list of workers that also includes the participant numbers of *BPJS Ketenagakerjaan* and *BPJS Kesehatan* for a total of 631 workers (Kebun Mandau Utara) and 796 workers (Kebun Mandau Selatan), and 102 workers (MPOM). Based on a review of the August 2022 worker list document and proof of payment of *BPJS Ketenagakerjaan* and *BPJS Kesehatan* for the same period, it is known that the company has registered and paid all its workers in the *BPJS Ketenagakerjaan* and *BPJS Kesehatan* programs, which consist of Work Accident Insurance (JKK), Death Insurance (JKM), Old Age Security (JHT) and Pension Guarantee via Bank Transfer, with examples of proof of payment as follows:

- *BPJS* (Health Insurance) payments for KMU, KMS and MPOM, have been completely fulfilled and the last proof of payment is on 9 June 2022 for period of June 2022 and 4 Juli 2022 for period of July 2022.
- *BPJS* (Social Security Insurance) payments for KMU, KMS and MPOM, have been completely fulfilled and the last proof of payment is on 22 July 2022 for period of June 2022 and 26 Agustus 2022 for period of July 2022.

Based on the results of interviews with plantation and factory workers, it is known that the company has provided health insurance for workers and their families (wife and children) and employment insurance for all workers. In 2022, for example there is a *BPJS* claim submission for cases of work accidents/occupational diseases on behalf of ASM (initial) due to work accident which cause his middle finger was broken in boiler station on 19 June 2022. Unit of Certification has shown its last claim submission process to *BPJS* until 20 June 2022. Until this recertification, this claim process of *BPJS* is still ongoing.

Based on the foregoing, it can be concluded that the company already has a list of employees participating in the Employment and Health Social Security Administering Agency (*BPJS*) program along with proof of monthly payments.

#### 6.7.5

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety. For examples in period of October 2021 until August 2022 certification unit have the LTA calculation such as:

- For KMU have a total of Incident Rate (IR) is 111.8, Frequency Rate (FR) is 57.3 and Severity Rate (SR) is 160.3
- For KMS have a total of Incident Rate (IR) is 156.2, Frequency Rate (FR) is 78.9 and Severity Rate (SR) is 291.8
- For Mandau POM have a total of Incident Rate (IR) is 53.7, Frequency Rate (FR) is 27.3 and Severity Rate (SR) is 311.3

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 2021/2022. 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.

Certification unit are able to shows realization of integrated pest control plans in 2022. For example, record of census is presented as follows:

- Rat and LEC (Leave Eating Caterpillar) census for KMU in August 2022 with the average attack below 5% and there is no sign of attack in that period. Below the minimum economic threshold so that the certification unit does not control activities



with chemicals (pesticides) and still uses natural controls such as the use of beneficial plants / predators (barn owl).

- Rat and LEC (Leave Eating Caterpillar) census for KMS in August 2022 with the average attack below 5% and there is no sign of attack in several periods of census time in 2021. below the minimum economic threshold so that the certification unit does not control activities with chemicals (pesticides) and still uses natural controls such as the use of beneficial plants / predators (barn owl).

In general, based on the recording of Pest and Disease Monitoring Census it is known that there are pests that has been monitored and no diseases that has been detected since 2021 until now.

In order to avoid Pest & Disease (include weeds) resistance and prophylactic uses of pesticide, certification unit had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control, the use of pesticide with active ingredient *Methyl Metsulfuron* could be substitute with pesticide with active ingredient *Triclophyr Butoksi Ethyl Ester*, *Indaziflam* and *Isopropyl Amine Glyphosate*.

In addition, during the field observation activities carried out at the Mandau Utara and Selatan Estate units it was known that there were beneficial plants planted on each edge of the block as host plants for predators for LEC (Leaf Eater Caterpillar) control and there was also the use of barn owl (*Tyto alba*) as pest control for rat. The unit of certification has facilitated the use of barn owl by creating nests in each unit. The results of the review of monitoring documents on the existence of active nest updates up to the period of August 2022 are a total of 106 nests, 100% of which are active.

**7.1.2**

The certification unit has shown a list of invasive species in 2022 referring to Environment and Forestry Ministry Regulation No. P.09 / MENLHK / SETJENKUM.1 / 12/2016. Based on the documents shown, it is known that there are two (2) species used for biological control agencies, namely *Turnera subulata* and *Tyto alba*. Related to this, the certification unit has conducted monitoring activities to ensure / monitor their distribution.

**7.1.3**

Based on the review of the PT Adei Plantation & Industry IPM (Integrated Pest Management) document since October 2021 – August 2022, there were no extraordinary circumstances requiring pest control with fire, the results of the document review show that the pest condition is still under control every year and below the economic threshold so that no chemical control or fire control has been carried out so far. Based on the results of field visits to Mandau Utara and Selatan Estate, there were no indications of burn marks after the use of fire for pest control.

**Status: Comply**

**7.2**

**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**

**7.2.1 & 7.2.2**

The certification unit has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, certification unit conducted identification the type of weed found in operational area.

Pesticide usage justification has shown through census analysis. for example, as follows:

- Rat and LEC (Leave Eating Caterpillar) census for KMU in August 2022 with the average attack below 5% and there is no sign of attack in that period. Below the minimum economic threshold so that the certification unit does not control activities with chemicals (pesticides) and still uses natural controls such as the use of beneficial plants / predators (barn owl).
- Rat and LEC (Leave Eating Caterpillar) census for KMS in August 2022 with the average attack below 5% and there is no sign of attack in several periods of census time in 2021. below the minimum economic threshold so that the certification unit does not control activities with chemicals (pesticides) and still uses natural controls such as the use of beneficial plants / predators (barn owl).



In general, based on the recording of Pest and Disease Monitoring Census it is known that there are pests that has been monitored and no diseases that has been detected since 2021 until now. In order to avoid Pest & Disease (include weeds) resistance and prophylactic uses of pesticide, certification unit had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control, the use of pesticide with active ingredient *Methyl Metsulfuron* could be substitute with pesticide with active ingredient *Triclophyr Butoksi Ethyl Ester*, *Indaziflam* and *Isopropyl Amine Glifosate*.

The unit of certification has a list of types of pesticides used in the past year along with a description of the active ingredients, registration number and validity period of the pesticide. The following is an example of a list of pesticides used by companies, for example:

Trademark	Active Ingredients	Registration Number
Meta Prima	Metil Metsulfuron	RI. 01030120031897
Kensfosat	Isopropil Amina Glifosat	RI. 01030120021712
Becano	Indziflam	RI. 01030120124279
Basta	Amonium Glufosinat	RI. 01030120175826

The certification unit has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD<sub>50</sub>, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month. Unit certification has also classified the pesticides used according to the WHO class, such as Meta Prima (*methyl metsulfuron*) with the WHO classification, namely unlikely to present, Centalon (*triclopir*) with the WHO classification, namely class 3 and so on.

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- Rat and LEC (Leave Eating Caterpillar) census for KMS in August 2022 with the average attack below 5% and there is no sign of attack in several periods of census time in 2021. below the minimum economic threshold so that the certification unit does not control activities with chemicals (pesticides) and still uses natural controls such as the use of beneficial plants / predators (barn owl).

In general, based on the recording of Pest and Disease Monitoring Census it is known that there are pests that has been monitored and no diseases that has been detected since 2021 until now. In order to avoid Pest & Disease (include weeds) resistance and prophylactic uses of pesticide, certification unit had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control, the use of pesticide with active ingredient *Methyl Metsulfuron* could be substitute with pesticide with active ingredient *Triclophyr Butoksi Ethyl Ester*, *Indaziflam* and *Isopropyl Amine Glifosate*.

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### 7.2.3

The certification unit has carried out the IPM quite effectively, with no use of chemicals for pest control and does not use pesticides as prophylaxis. The pesticide used is routinely for weed control and if the conditions of the circle and path are still quite standard, weed control will be suspended.

The IPM program already listed which is then detailed into a monthly work plan and daily work plan. The IPM program prioritizes routine monitoring of the presence of pests. Pesticides are the last alternative control if indeed the observations show a value above the control threshold. Basically the application of IPM aims to minimize the use of pesticides in pest control.

The certification unit has shown a document on Recapitulation of Pest and Disease Census in which it contains the realization of the implementation of detection activities and census of disease pests. Based on realization of the caterpillar census and rat census activities in August 2022 PT Adei Plantation & Industry, there are no indication of pest attack that has been above the minimum threshold, so no control is needed.

Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and LEC (Leaf Eating Caterpillar) by planting beneficial plant such as *Turnera subulata* and *Antigonon*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use. In January 2021 – August 2022, the certification unit does not use pesticide for pest control at all. Based on the results of interviews with pesticide applicators in Mandau Utara and KMS, it is known that the use of pesticides is only for land sanitation activities as control of weeds and there has been use of pesticides to control pesticides or disease if the census have been passing through minimum threshold.

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on the results of interviews with pesticide applicators in Mandau Utara and KMS, it is known that the use of pesticides is only for land sanitation activities as control of weeds and there has been use of pesticides to control pesticides or disease if the census have been passing through minimum threshold.

#### 7.2.5

Based on Internal Memo that released on 2 January 2016 stated that *"Pesticides that are categorized as World Health Organization Class 1A or 1B, or that listed by the Stockholm or Rotterdam Conventions, are prohibited except in emergency situation. Paraquat usage is prohibited."* Based on the results of the review of the list of pesticides used in 2021 until August 2022 as well as the results of field observations to pesticide storage at Mandau Utara and Selatan Estate, it was found that there was no use of pesticides (WHO groups 1A and 1B) or paraquat.

#### 7.2.6

The certification unit has provide safe working practices training on pesticide handling or application, for example as spraying training (toxic dose, OHS and spray calibration) for all spray workers on September 13, 2021 for 129 pesticide operator in each unit.

The results of field observation in rinse house, PPE warehouse and interview with pesticide applicator Mandau Utara and Selatan Estate, it is known that the applicator have been given regular training in safe work practices. This was evidenced by the explanation for correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and goggles. Furthermore, clean water and soap are available on the field. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying activity they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore, in observation they have a storage for keeping all PPE's and spraying tools after use.

Based on the explanation above, it was concluded that those who applied the pesticide were employees who had attended the training, while the employees understood the dangers and risks related to the chemicals used.

#### 7.2.7

Based on observation to Pesticide Store on the Mandau Utara and Selatan Estate, it was known that all pesticides has properly stored on a warehouse, separated based on type, equipped with balance record, hazardous symbols, fire extinguisher, MSDS, first aid box, etc. Used pesticide containers will be used for pesticide mixing and distribution to the field. Meanwhile, the rest were send to Temporary Hazardous Waste Warehouse. Moreover, based on observation to employees housing complex, it was known that there is no use of used pesticide containers for domestic purposes.

#### 7.2.8

Based on the results of visits to Temporary hazardous Waste Storage at POM Mandau, KMU and KMS, it was found that the company had stored pesticide containers in Temporary hazardous Waste Storage and every officer at Temporary hazardous Waste Storage was able to explain the procedure. for the handling and management of hazardous Waste in accordance with the SOP properly. For example, the company has shown evidence of submitting hazardous waste to PT Pratama Saoloan Green on June 30, 2022 as many as 86 kg of used pesticide packaging with manifest No. 0002813

Based on observations at the Pesticide Warehouses in the KMS and KMU Residential Areas, it is known that the company has provided a special mixing place and a container for used contaminated/rinse water to be reused in the next mixing. In addition, pesticide containers have been handled responsibly by storing them in a hazardous waste storage area.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.2.8

#### 7.2.9

Based on information form estate management, and previous reports, it was known that there were no pesticide application

through aerial method by plane. All pesticides has applied through spraying both manually.

**7.2.10**

The company has a plan for health checks for all employees which is contained in the OHS Work Program document which is approved by the Senior Manager.

The last periodic and special medical examination was carried out in August 2022 in collaboration with the Nurul Medika Siak Clinic. For the 2022 inspection period, which was carried out in August 2022 and the recording of the inspection explained that there were 1,434 employees being examined (129 workers were pesticide operators), and from the results of the inspection there were no employees who had health problems.

Based on the results of interviews with representatives of worker unions, as well as pesticide operators in every unit, it is known that the workers have received health checks every year (periodic and special) and until the last inspection in 2022 the result was that there were no workers who were disturbed (Fit to Work).

Based on this explanation, it is known that the company has provided regular health checks for all workers and special health checks for workers with certain risks. The result is that all workers are still in good condition and none of them were disturbed during the inspection.

**7.2.11**

Based on field observation and interview with pesticide operator in Mandau Utara and Selatan Estate, known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non chemical activity.

**Status: Comply**

**7.3**

**Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.**

**7.3.1**

The company has a cooperation agreement with the hazardous waste transportation party between PT Adei Plantation & Industry and PT Pratama Saoloan Green and the hazardous waste processing or utilization party, namely PT Wastec International as stated in the agreement number 0793/WI-SPKLhazardous/XII/2021 which was made on 13 December 2021 and valid for 1 year until December 13, 2022. The types of hazardous waste transported include used lamps, used filters, oil, used filters, oil, air filters, used packaging, and advanced.

The third party transporting hazardous waste also has permits from the relevant agencies, including:

- Recommendations for the transportation of hazardous waste with the number S.469/PSLhazardous-VPLhazardous/PPLhazardous/PLB.3/12/2021 on December 8, 2021 and valid for 5 years
- Decree of the director general of land transportation number SK.00641/AJ.309/1/DJPD/2018 concerning the permit for the operation of special goods transportation for transporting dangerous goods (hazardous). December 2026
- Supervision card for the Permit of Dangerous Goods Transport Number: SK.00641/AJ.309/1/DJPD/2018/100001903-00004 with BM 9639 JU transport vehicle which is valid until April 14, 2023
- Supervision card of Permit for Organizing Dangerous Goods Transport Number: SK.00641/AJ/309/1/DJPD/2018/100001903-00005 with transport vehicle number BM 8346 AO

The hazardous waste processing/utilizing company PT Wastec International also has legality based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number S.1090/Menlhk/Setjen/PLhazardous.3/12/2019 concerning Statement of Fulfillment of Commitment to Destruction of Hazardous Waste Management Permits for hazardous waste Management Service Business PT Wastec International.

The company has also recorded for each waste generated, for example:

- Used filters from the workshop on 05 August 2022 totaling 0.5 kg
- Used oil from the workshop on August 5, 2022, totaling 35 kg
- Clinic waste 02 August 2022 on 02 August 2022 amounting to 0.10 kg
- Used rags on August 18, 2022 from the workshop, totaling 1 kg
- etc

From the waste generated, the company has submitted the hazardous waste which is contained in the Minutes of hazardous waste transportation on June 1, 2022 by PT Pratama Saolan Green while the hazardous waste transported is used oil, used batteries, used filters, used light bulbs, Used Rag, Hazardous waste Packaging made on June 30, 2022.

From the transportation documents, *festroniks* are issued from the Ministry of Environment and Forestry, for example for factories:

Manifest Number	Hazardous Waste	Amount	Hazardous Waste Code	No. Carrier wagon
KLHK – 1661183054	Used Battery/Battery	0.109 Ton	A102d	BM 8346 AO
KLHK - 1661183810	Used Filters	0.035 Ton	B109d	BM 8346 AO
KLHK - 1661184104	Used Packaging hazardous material	0.07 Ton	B104d	BM 8346 AO
KLHK - 1661184492	Used Majun Fabric	0.006 Ton	B110d	BM 8346 AO
KLHK – 1661186933	Used Lubricating Oil	0.666 Ton	B105d	BM 8346 AO
KLHK - 1661245349	Electronic Waste	0.001 Ton	B107d	BM 8346 AO

The Company has submitted reports on the management of Hazardous and Toxic Waste in the Second Semester Period of 2022, among others to:

- Bengkalis Regency Environmental Service on August 12, 2022 with signature and wet stamp
- Riau Province Environmental Service on August 8, 2022 via Pos Indonesia
- Ministry of Environment and Forestry with TTE number 1658938155-1694

The company already has an SOP for waste utilization as stated in the SSOP 23 document. Management of Toxic and Hazardous Waste and Non- hazardous waste which was revised on 02 May 2022, explaining, among others:

- Scrap iron from estate units is sold to scrap metal buyers
- Used tires from estate units are sold to buyers of used tires, recycled or reused such as flower pots for residential beauty, and are not allowed to be destroyed by burning
- Used fertilizer sacks, reused for loose fruit collection
- Factory wastewater is managed using a pond system before being channeled to the application land ditch
- The quality of the distributed wastewater must comply with the provisions of environmental law
- Empty stump produced is sent back to the estate as organic fertilizer to reduce the use of chemical fertilizers, improve soil structure and reduce soil erosion
- Palm fiber and shells are used as fuel for boilers
- Organic waste must be disposed of in a trash can which is more than 1000 meters away from the water source
- Garbage transportation to temporary storage at least once a week
- Etc

As an implementation of the existing procedures, the company has carried out the waste generated, for example, for solid waste from POM for the period January – September 2022 and utilization of POME for the period January – August 2022, namely:

No.	Period	Solid waste (Kg)	Liquid waste (M3)
1	January	4,871,460	18,824
2	February	3,938,390	15,330



3	March	3,243,110	17,525
4	April	2,567,860	15,992
5	May	5,193,760	15,814
6	June	5,193,760	20,119
7	July	4,937,570	19,414
8	August	4,454,700	19,203
9	September (Date 1 – 14)	3,188,800	-

Based on this explanation, the company has made reductions generated by the management of solid waste such as shells and fiber for boiler fuel and POME that is used for land applications.

In addition, from the results of interviews, for example with hazardous waste officers, that this has been proven in hazardous waste management and has also provided training to hazardous waste officers so that they do not waste the environment.

At the time of the audit, the company was in the process of applying for a domestic waste permit. The company has also obtained the Technical Approval for the Utilization of Domestic Wastewater for Land Application (Road Watering) of PT Adei Plantation & Industry in Pinggir District, Bengkalis Regency, Riau from the Bengkalis Regency Environmental Service with number 660/DLH-TL/2022/359 on 08 September 2022.

The Technical Approval explains the trial period, which explains that the construction of facilities and management of domestic WWTP wastewater and its supporting facilities will be carried out for 6 months after the Commissioning activity. During the trial run, it is necessary to test the quality of the wastewater at the inlet to the WWTP and the outlet from the WWTP as well as monitoring the quality of ground water. The trial is declared successful if the quality of the waste water discharged meets the quality standards for each outlet. The trial period is carried out from the fourth quarter of 2022 to the second quarter of 2023.

After the trial period is completed, the company must submit a report on the results of the trial in accordance with the provisions for field verification. If the test results meet the requirements in accordance with this technical agreement, an Operational Eligibility Letter (SLO) will be issued.

For this reason, the company has the opportunity to carry out the Operational Eligibility Certificate process for domestic waste in accordance with the trial time stated in the document number 660/DLH-TL/2022/359 regarding the use of domestic wastewater for application to the soil (street watering) of PT Adei Plantation & Industry in Pinggir District, Bengkalis Regency, Riau Province until the issuance of the SLO. **OFI**

During the audit activity, the company has extended the permit for the hazardous waste Temporary Storage, while the process for processing the permit for the hazardous waste temporary storage waste includes:

- On March 15, 2022 the company has made a Cooperation Agreement with Consultant PT Saamy Industrial Nusantara
- On June 30, 2022 the company has drafted the technical details of hazardous waste permits in Mandau Complex
- On July 19, 2022, the company revised the technical details of the hazardous waste permit at Mandau Complex
- On July 21, 2022, PT Adei Plantation & Industry with a consultant visited the Bengkalis Regency Environmental Service for the Domestic IPAL Technical Approval trial and asked for instructions on the technical details of hazardous waste permits for all Lhazardous at Mandau Complex
- On 22 July 2022, a consultant field survey was conducted to temporary storage of hazardous and toxic waste in Mandau Complex
- In August – September 2022, documents have been revised to be submitted to Ministry of Environment and Forestry
- On October 1, 2022, documents will be submitted to KLHK

From the results of the document review of the Technical Details of PT Adei Plantation & Industry's Temporary Hazardous Waste



Storage Place, it is explained, among others:

- Name, source, characteristics and amount of hazardous waste generated
- Location of hazardous waste storage area
- Type of hazardous waste storage facility
- Supporting facilities consisting of SOP for loading goods, SOP for unloading goods, equipment for handling spills, packaging for hazardous waste
- Etc

Based on this explanation, the company has the opportunity to process the permit for the Temporary Storage of Hazardous and Toxic Waste (Temporary Storage Of Hazardous And Toxic Waste) in accordance with the timeline set by the company. **OFI**

### 7.3.2

The company already has an SOP or Work Instruction for hazardous waste management which is contained in the SSOP document for the Management of Toxic and Hazardous Waste and non- hazardous waste which was revised on May 2, 2020 explaining, among others:

- It is not allowed to use used packaging for chemicals, oil and all kinds that are classified as hazardous waste in housing
- Hazardous waste materials are stored in a designated temporary hazardous storage area (TPS Lhazardous)
- hazardous waste materials that cannot be mixed must be stored in different places and used for hazardous waste materials must be stored separately in a warehouse.
- Storage areas must be designed, built and maintained following the guidelines provided by the relevant agencies to prevent the spillage of hazardous waste materials into the environment
- Transportation of hazardous waste may only be carried out by a registered vehicle (approved by the relevant agency)
- The transported hazardous waste is ensured that it is ready and the buyer has the capability in the field
- Every transportation of hazardous waste must be accompanied by a manifest
- etc

The company has also recorded for each waste generated, for example:

- Used filters from the workshop on 05 August 2022 totaling 0.5 kg
- Used oil from the workshop on August 5, 2022, totaling 35 kg
- Clinic waste 02 August 2022 on 02 August 2022 amounting to 0.10 kg
- Used rags on August 18, 2022 from the workshop, totaling 1 kg
- etc

From the waste generated, the company has submitted the hazardous waste which is contained in the Minutes of hazardous waste Waste transportation on June 1, 2022 by PT Pratama Saoloan Green while the hazardous waste transported is used oil, used batteries, used filters, used light bulbs, Used Rag, hazardous waste Packaging made on June 30, 2022.

From the transportation documents, festroniks are issued from the Ministry of Environment and Forestry, for example for factories:

Manifest Number	Hazardous Waste	Amount	Hazardous Waste Code	No. Carrier wagon
KLHK – 1661183054	Used Battery/Battery	0.109 Ton	A102d	BM 8346 AO
KLHK - 1661183810	Used Filters	0.035 Ton	B109d	BM 8346 AO
KLHK - 1661184104	Used Packaging hazardous waste	0.07 Ton	B104d	BM 8346 AO
KLHK - 1661184492	Used Majun Fabric	0.006 Ton	B110d	BM 8346 AO
KLHK – 1661186933	Used Lubricating Oil	0.666 Ton	B105d	BM 8346 AO
KLHK - 1661245349	Electronic Waste	0.001 Ton	B107d	BM 8346 AO

The Company has submitted reports on the management of Hazardous and Toxic Waste in the Second Semester Period of 2022, among others to:

- Bengkalis Regency Environmental Service on August 12, 2022 with signature and wet stamp
- Riau Province Environmental Service on August 8, 2022 via Pos Indonesia
- Ministry of Environment and Forestry with TTE number 1658938155-1694

From the results of the document review and interviews with the company, the transportation festival for hazardous waste for the estate unit still uses the manifest manual document and has not used the festronik issued by the Ministry of Environment and Forestry.

The company has also made a timeline set on 17 September 2022 for the issuance of festivals from the Ministry of Environment and Forestry, including:

- SIMPEL online registration on 19 September 2022
- Fill in the registration form on September 19, 2022
- Received information from the system administrator on September 20, 2022
- Log in SIMPEL on September 20, 2022

For this reason, the company has the opportunity to arrange festronic documents for the transportation of Hazardous and Toxic Waste (Lhazardous) for the two plantation units according to the timeline set on September 17, 2022. **OFI**

### 7.3.3

The company has carried out waste management by not burning. For example, hazardous waste company that is produced to a licensed transporter contained in the Minutes of hazardous Waste transportation on June 1, 2022 by PT Pratama Saoloan Green while the hazardous waste transported is used oil, used batteries, used filters, used light bulbs, used rag, hazardous waste packaging made on June 30, 2022.

The company already has an SOP for waste utilization as stated in the SSOP 23 document. Management of Toxic and Hazardous Waste (Lhazardous) and Non-Lhazardous which was revised on 02 May 2022, explaining, among others:

- Scrap iron from estate units is sold to scrap metal buyers
- Used tires from estate units are sold to buyers of used tires, recycled or reused such as flower pots for residential beauty, and are not allowed to be destroyed by burning
- Used fertilizer sacks, reused for loose fruit collection
- Factory wastewater is managed using a pond system before being channeled to the application land ditch
- The quality of the distributed wastewater must comply with the provisions of environmental law
- Empty stump produced is sent back to the estate as organic fertilizer to reduce the use of chemical fertilizers, improve soil structure and reduce soil erosion
- Palm fiber and shells are used as fuel for boilers
- Organic waste must be disposed of in a trash can (TPS) which is more than 1000 meters away from the water source
- Garbage transportation to TPS at least once a week
- Etc

As an implementation of the existing procedures, the company has carried out the waste generated, for example, for solid waste from POM for the period January – September 2022 and utilization of POME for the period January – August 2022, namely:

No.	Period	Solid waste generated (Ton)	POME
1	January	4,871,460	18.824
2	February	3,938,390	15.330
3	March	3,243,110	17.525
4	April	2,567,860	15.992
5	May	5,193,760	15.814
6	June	5,193,760	20.119

7	July	4,937,570	19.414
8	August	4,454,700	19.203
9	September (Date 1 – 14)	3,188,800	-

Based on this explanation, the company has made reductions generated by the management of solid waste such as shells and fiber for boiler fuel and POME that is used for land applications.

In addition, from the results of interviews, for example with hazardous waste officers, that this has been proven in hazardous waste management and has also provided training to hazardous waste officers so that they do not waste the environment

Based on this explanation, the company PT Adei Plantation & Industry has met the 7.3.3 indicator

**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

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, on that's procedure described to maintain soil fertility the company conducted manuring activities accordance with recommendation from agronomist. The scope of fertilizing activities in the SOP covers all activities related to fertilizing oil palms in nurseries, Immature Producing Plants and Producing Plants both inorganic fertilizing and by oil palm products based on the results of soil and leaf analysis. Certification unit has been implemented those procedure to optimize the production, such as:

- Routine soil and leaf sampling by unit to ensure the elements needed by plants to be able to produce optimally. The results of soil and leaf analysis tested will be the basis for determining the dose of fertilizer in each Estate.
- Fertilizing activities that prioritize the principles of being on time, on target, on the right dosage and on application. In addition, marginal soils are given extra fertilization in the form of empty bunch at a dose of 30 Ton/Ha.
- Application of palm oil wastewater (POME) to improve soil fertility with a total discharge of POME applied during January - August 2022 of 200,096 m<sup>3</sup>.
- Maintenance of ground cover plants to reduce evaporation (maintain soil moisture). For example, planting legumes (*Mucuna bracteata*) and maintenance of soft fern (*Nephrolepis bisserata*). To all spraying employees are always conveyed at the morning apple to not spray the plant.
- The company's commitment to no longer use herbicide-based active ingredients Paraquat since 2016. Based on the information from managers and staff, this is to show the company's commitment to support RSPO guidelines on reducing / not using herbicide groups 1A and 1B as well as parcels.

Based on observations at Land Application area it was found that POME had been applied to the land in accordance with the permits and recommendations held. This activity showed the company's efforts to increase soil organic content thereby increasing soil nutrients needed roots especially on marginal soils and there is no overflow/spill to the field.

##### 7.4.2

The Certification unit has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit (LSU) analysis to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by Applied Agricultural Resources Indonesia (AARI) and it's supported by well-trained census officer in each estate. The LSU is conducted annually. The last LSU result was issued on May 2022, the indicators observed include levels of N, P, K, Mg, Ca, B, Zn, Cu, Cl, Fe and Na and supporting data in the form of visual observations. The last SSU is conducted on May 2021, and for the period soil testing is usually carried out annually by Applied Agricultural Resources Indonesia. The realization of the evaluation of the status of soil fertility in PT Adei Plantation & Industry is to observe the determination of pH, organic C content, total N (in%), total P content and available P, K content, Mg content, Na content, Na content, Ca content and Cation Exchange Capacity (CEC). Visual observations performed every year at the time of leaf analysis

activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease. All the results of the analysis are used as a reference for fertilizer recommendations for that year so that the fertilizer target with soil and plant needs is appropriate (not too much or not enough).

#### 7.4.3

The company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and EFB Mulching. Based on the results of the study of Oil Palm Manuring Recommendation 2022 document, for Old Mature & Very Old Mature plant the use of EFB 30 tonnes of EFB / ha / year, known that the total utilization of EFB on period January to August 2022 is 45,119 tonnes for 1,503.9 Ha application area. Overall, the company has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited. Until the recertification, the certification unit has not carried out replanting activities, so there was no use of the palm residue after replanting.

#### 7.4.4

The certification unit shows record of fertilizer application for period October to September in every year. For example, summary of fertilizer application on 2021/2022 (October to August) PT Adei Plantation & Industry is summarized in the following Table.

Fertilizer Type	Realization
Amonium Sulphate (kg)	88,869
Rock Phospate (kg)	20,643
Kieserite (kg)	7,293
MOP (kg)	68,449
Borate (kg)	3,428
NK 17/30 (kg)	69,205
Opcom (kg)	5,808
EFB (ton)	45,119
Belt Press Cake (ton)	4,032
Boiler Ash (ton)	2,181
POME (m <sup>3</sup> )	200,096

Based on the table above, it is known that in 2021/2022 (October to August) the achievement of fertilization realization has been achieved as much as 98.14%. The overall achievement will be pursued up to 100% which is targeted by the end of September 2022 to have been fully achieved.

**Status: Comply**

### 7.5

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

##### 7.5.1

The company has shown a map of the soil types of PT. Adei Plantation & Industry – Mandau Complex with a scale of 1: 120,000 issued by PT Applied Agricultural Resources Indonesia (AARI) on April 15, 2011. The map describes the types of soil and soil conditions in the Mandau Complex. Based on the map, it is known that there is no marginal land in the area managed by the company, while for slope it is known that the complex Mandau is on land with a depth of 0- 16%. Based on document, it is known that the operational area in PT Adei Plantation & Industry – Mandau Complex was flat to undulating (0-12% or 0-60). There is no steep slope. Based on field observation during recertification audit, known no planted on steep slope or approximately  $\leq 40\%$  slopes.

Based on the explanation above, it can be concluded that the company already has maps that identify marginal and fragile soils, including land with steep slopes.

##### 7.5.2

Based on document, it is known that the operational area in PT Adei Plantation & Industry – Mandau Complex was flat to

undulating (0-12% or 0-60). There is no steep slope. Based on field observation during recertification audit, known no planted on steep slope or approximately  $\leq 40\%$  slopes.

Since audit activities in 2021, the management unit had not yet carried out any replanting or new development activities. Likewise, with the replanting plan. Based on the results of the document review, show that the oldest planting year in the certification unit area is 1998 (24 years) while the youngest is 2016 (6 years) so there are no plants with the category of new planting or replanting. In the program 2021-2026 there are plans for replanting activities within the scope of PT Adei Plantation & Industry certification in 2023/2024.

### 7.5.3

Based on document, it is known that the operational area in PT Adei Plantation & Industry – Mandau Complex was flat to undulating (0-12% or 0-60). There is no steep slope. Based on field observation during recertification audit, known no planted on steep slope or approximately  $\leq 40\%$  slopes.

Since audit activities were carried out in 2021, the management unit had not yet carried out any replanting or new development activities. Likewise, with the replanting plan. Based on the results of the document review, show that the oldest planting year in the certification unit area is 1998 (24 years) while the youngest is 2016 (6 years) so there are no plants with the category of new planting or replanting. In the program 2021-2026 there are plans for replanting activities within the scope of PT Adei Plantation & Industry certification in 2023/2024.

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.**

### 7.6.1-7.6.3

Based on the results of the study of the area statement documents, interviews with company management and the results of field visits, it was found that the company was not currently conducting new oil palm planting activities either in existing areas or new developments. The oldest planting year was 1998 and the youngest was 2016.

Status: Comply

## 7.7

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

### 7.7.1 – 7.7.7

PT Adei Plantation & Industry – Kebun Mandau already has a Semi Detailed Soil Map with a scale of 1:20,000 which is based on a Semi Detailed Soil Analysis which explains that the identified soils are from the orders Ultisol, Inceptisol and Oxisol which include clay and sandy mineral soils. Meanwhile, according to the association of land unit land groups, including Kandiuults, Dystropepts, Hapludox, Tropaquepts, and Tropaquods. **There is no peatland** in the area cultivated by PT Adei Plantation & Industry – Kebun Mandau.

Status: Comply

## 7.8

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

### 7.8.1

The company already has an SOP as stated in the SSPO 16 document. Ground and Surface Water Quality explains, among others:

- Mill Reservoir (Surface Water)
  - Prohibition of spraying and fertilizing as well as socialization
  - Conduct periodic water quality analysis
- Estate Water Reservoir (Surface Water)
  - Prohibition of spraying and fertilizing as well as socialization
  - Conduct periodic water quality analysis
- Drilling Well (Underground Water)

- Conduct periodic water quality analysis
- Distance from activities that can contaminate water sources is at least 1000 m
- In terms of water resource efficiency, monitoring the use of m<sup>3</sup> water/ton FFB and controlling the use of water for washing in factories
- Creating riparian along river basins in operational sites
- Collecting rainwater where there is no water supply
- Monitoring the quality of wastewater to ensure that the effluent produced meets quality standards
- Monitoring of water quality is carried out 1 x 6 months or following the applicable environmental documents
- etc

The company also has a water management plan made in January 2022 explaining among other things:

- Ensure clean water sources by avoiding opening waterways from water sources close to palm oil mills, housing, livestock land, clearing land and waste disposal
- Ensuring the size of the water pond capacity is sufficient to ensure sufficient water supply during the long dry season
- Conducting water quality analysis 2 times a year
- Monitoring DSS at least 50m along the Penaso River border to reduce water pollution
- Supervise by ensuring proper disposal of waste including hazardous waste, pesticides, domestic waste, empty fruit, etc.
- Ensure no spraying and fertilization throughout the DSS
- Enrichment of protective tree species along the DSS
- Ensure that POME is managed to meet the legal requirements for disposal

Based on the results of interviews with the families of workers who live in housing, that the water provided is sufficient for use and there is no payment from the company for the use of the water.

Based on this explanation, the company PT Adei Plantation & Industry has met indicator 7.8.1

### **7.8.2**

The company already has documents related to water flow protection and wetness contained in the SSOP. 22. Identification of HCV, Management and Monitoring of Conservation Areas and Flora and Fauna which was revised on November 01, 2018 explains, among others:

- HCV assessment conducted by RSPO approved consultant
- DSS is made along the river following the recommendations in the HCV report or following the recommendations in the HCV report or following the limits set by the government or regulations
- Install warning signs in the area. If the river is included in HCV, then a signboard with an HCV identification number will be made
- For conservation areas such as riverbanks that have already been planted with oil palm where the DSS area has not followed the HCV regulations/reports, when replanting the area may not be replanted with oil palm.
- No spraying and fertilizing and burning around DSS
- The DSS area is not allowed to be cleared or to plant vegetables/fruits

In addition, the company also has a river distribution map, namely a river distribution map made with a scale of 1:80,000 with a legend of the field road map, main road, Caltex Road, river, govt road, HGU stakes, reservoir points, manuring blocks, HGU, buildings, roads, etc. which were made in December 2021 in Pekan Baru.

The distribution of the rivers consists of the Batang Bui River, Beringin River, Penaso River, Sungut River, Mandau River, etc.

Based on the results of field visits to the Penaso River Border, the company has managed the river border well, no traces of chemical or pesticide application were found, the company has also marked the spray limit.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.8.2

### **7.8.3**

The company already has a permit for the utilization of POME contained in the Decree of the Regent of Bengkalis Number:



061/Lingkungan/DPMPSP.Pzn/2017/59 concerning Permit for Utilization of Wastewater for Application to Oil Palm Plantation Land by PT Adei Plantation & Industry in Pinggir District, Bengkalis Regency which set on 27 September 2017.

The obligations of the permit include:

- The quality limit of wastewater coming out of the Wastewater Treatment Plant (WWTP) for the BOD parameter does not exceed 5,000 mg/liter and the pH value ranges from 6-9
- All wastewater produced with the quality as referred to in point (a) must be able to be used to irrigate oil palm plantations by PT Adei Plantation & Industry Block A to Block M covering an area of 100 hectares in Pinggir District, Bengkalis Regency, Riau Province.
- Monitoring groundwater in monitoring wells in the application land of the Sebangsa block in the lowlands and highlands, the Balai Raja block in the lowlands and highlands with predetermined parameters
- Wastewater before being discharged to the land in the application must be processed first through the wastewater treatment process in the WWTP pond
- The monitoring location at the point of compliance must be completed with the coordinates of the compliance point
- Etc

The company already has an SOP for solid and POME management which is contained in the SSOP document. 23 Management of Toxic and Hazardous Waste and Non-Lhazardous which was revised on 02 May 2020 explains related to factory wastewater, namely:

- Waste water is managed using a pond system before being channeled to the application land trench.
- The quality of the waste water that is distributed must comply with the provisions of the environmental law
- The results of the waste pool analysis must be reported to the Environmental Service every 3 (three) months
- Monthly and daily monitoring of sewage ponds for disposal areas/application land
- Every day circulation is carried out from aerobic to anaerobic ponds to reduce BOD and bacterial activation
- Etc
- 

Based on the results of observations on POME testing for the period January 2022 - August 2022, it can be seen that all parameters of POME have met the specified quality standards.

From the results of document observations on monitoring well testing for the first semester of 2022, it can be seen that:

- Monitoring well 1 parameter has met the quality standard
- Monitoring well 2 parameter has met quality standard
- Monitoring well 3, analysis result of Ph 5.81
- Monitoring well 4, pH analysis result 5.33

Monitoring well testing refers to the Minister of Health Regulation No. 32 of 2017 concerning Environmental Health Quality Standards and Water Health Requirements for Sanitary Hygiene, Swimming Pools, Solus Per Aqua and Public Baths.

The pH parameters for monitoring wells in Monitoring Well 3 and Monitoring Well 4 have not met the quality standards, but the company is still trying its best to manage groundwater quality so that in the future the groundwater quality will be even better. Based on document verification, it shown in EIA document that pH of monitoring wells in the company is below water quality standard. In addition, as a form of effort to maintain ground water quality, the company has a policy of treating POME by making a wastewater installation pond (WWTP).

Based on the results of interviews with the Bengkalis Regency Environmental Service, information can be obtained that the POME produced by the company has never polluted the environment and based on the results of interviews with POME management officers that wastewater never overflows or seepage occurs in the company.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.8.3

#### **7.8.4**

The company already has a water use permit as stipulated in the Decree of the Minister of Public Works and Public Housing Number 99/KPTS/M/2021 concerning the Granting of a Water Resources Concession Permit to Adei Plantation & Industry Limited Liability Company for Palm Oil Processing Industry in the Artificial Reservoir, Bengkalis Regency, Riau Province. Water

resources exploitation permits are granted with a maximum water/discharge quota of 50 (fifty) liters/second or equivalent to 108,000 (one hundred eight thousand) m<sup>3</sup>/month with a schedule of 20 hours/day for 30 days/month which is set on January 29, 2021.

The obligations of the use of the water permit include:

- When the permit holder does not use water from the artificial reservoir for the requested purposes, the flow of water from the artificial reservoir must be stopped
- Submit reports on daily water intake data and water quality test results periodically every 3 (three) months to *Balai Wilayah Sungai Sumatra III Pekanbaru*.
- Give some of the water it gets for the benefit of the community/environment within certain limits
- etc

Water usage records for factories January – August 2022

- January 2022 is 40,864.76 m<sup>3</sup>
- February 2022 is 35,435.86 m<sup>3</sup>
- March 2022 is 35,920.69 m<sup>3</sup>
- April 2022 is 37,954.78 m<sup>3</sup>
- May 2022 is 29,070.27 m<sup>3</sup>
- June 2022 is 40,949.03 m<sup>3</sup>
- July 2022 is 36,598.11 m<sup>3</sup>
- August 2022 is 32,084.54 m<sup>3</sup>

Based on document verification, total water used for palm oil process is still below water budget established by company (<2.20 m<sup>3</sup>/tonFFB). For example, last water used in August 2022 is 1.38 m<sup>3</sup>/tonFFB. The company has also paid water tax for the period of June 2022 with billing code 2206000782 to Bengkalis Regency Tax Revenue

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.8.4

**Status: Comply**

## 7.9

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

### 7.9.1

The company already has records of the efficiency of the use of fossil fuels for the period January 202 – August 2022, namely;

Month (2022)	FFB Processed (mt)	% OER	CPO Production (mt)	Kwh Turbine	Kwh Turbine/mt CPO
January	23,868	22.01	5,253	161,160	30.68
February	18,396	22.22	4,096	126,790	30.95
March	21,554	21.61	4,656	150,180	32.25
April	18,989	21.63	4,107	109,360	26.63
May	22,214	21.90	4,866	139,260	28.62
June	25,027	22.05	5,518	162,300	29.41
July	24,259	22.05	5,349	174,480	32.61
August	30,163	21.53	6,493	185,100	28.50

The company has made efforts to increase the efficiency of the use of fossil fuels and optimize renewable energy, these efforts are also monitored and documented in the form of a renewable energy monitoring document January 2022 – August 2022. The renewable energy used is solid waste in the form of shells and fibers used for fuel substitution. fossil fuel (diesel) as a producer of electrical energy using a boiler. The company has shown data for the period January 2022 – August 2022 with the use of renewable energy for processing is 30.00 KWH/Ton CPO.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.9.1

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.

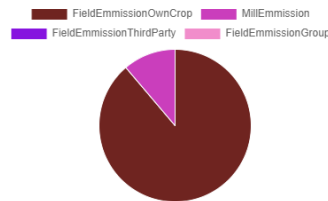
7.10.1

Based on document verification, company has been done calculations emission with RSP0 Palm GHG Calculator Version 4.0 with data input at October 2020 – September 2021. Calculation option applied Full Version.

Summary Emission

Product	tCO <sub>2</sub> e / tProduct	Action
CPO	0.65	
PK	0.65	
PKO	0.00	
PKE	0.00	

Print as PDF Calculation Sheet

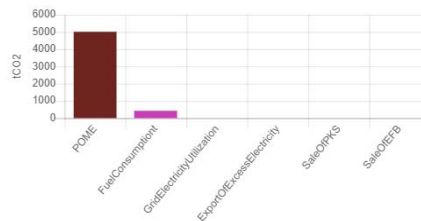


Description	Unit	Value	Action
Oil palm planted on mineral soil	Ha	11099.60	
Oil palm planted area on peat	Ha	0.00	
Total oil palm planted area	Ha	11099.60	
Conservation area (Forested)	Ha	246.58	
Conservation area (Non-Forested)	Ha	0.00	
FFB Production per hectare	t/ha	25.96	
OER	%	22.21	
KER	%	4.07	

Mill Emissions and Credits

Description	tCO <sub>2</sub>	tCO <sub>2</sub> e/t FFB	Action
<b>Emission Sources</b>			
POME	5033.63	0.02	
Fuel Consumption	446.23	0.00	
Grid Electricity Utilisation	0.00	0.00	
<b>Credits</b>			
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	
<b>Total</b>	<b>5479.85</b>	<b>0.02</b>	

Emission Source/Credit

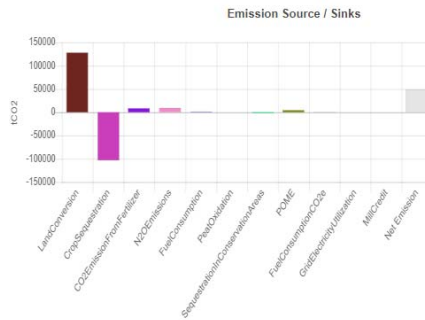


Estate/Plantation field emissions and sinks

Description	Own			Group			3rd Party			Total	
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB		
<b>Emission Source</b>											
Land Conversion	128810.86	11.61	0.45	0.00	0.00	0.00	0.00	0.00	0.00	128810.86	☺
CO2 Emissions from Fertiliser	9091.26	0.82	0.03	0.00	0.00	0.00	0.00	0.00	0.00	9091.26	☺
N2O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	☺
N2O Emissions from Fertiliser	10025.81	0.90	0.03	0.00	0.00	0.00	0.00	0.00	0.00	10025.81	☺
Fuel Consumption	1640.83	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	1640.83	☺
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	☺
<b>Sinks</b>											
Crop Sequestration	-103911.46	-9.36	-0.36	0.00	0.00	0.00	0.00	0.00	0.00	-103911.46	☺
Sequestration in Conservation Area	-2261.14	-0.20	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	-2261.14	☺
<b>Total</b>	<b>43396.16</b>	<b>3.91</b>	<b>0.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43396.16</b>	☺

Emissions from Palm Kernel Crusher

Emission Source	tCO2e
PK from own mill	0.00
PK from other sources	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00



Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

Based on document verification and interviews with management, the company has delineated the HCV area on August 25, 2021 by the Sustainability Department. The delineation results show that the HCV area inside the PT Adei Plantation & Industry HGU is 98.5 ha (including the Papadah River spring, water catchment, and the Penaso river border), while the HCV area outside the PT Adei Plantation & Industry HGU is 130.8 Ha. (Including the Papadah River springs, the Penaso River border, and the Sakai Tribe and Tomb of Datuk Berdarah Putih). Electricity from methane capture mostly used by KCP.

From the published GHG calculations, the company has identified all sources that produce GHG and mitigated GHG, for example by reusing solid waste as boiler fuel and utilizing POME as land applications, and so on.

7.10.2

Based on the observation of documents and the results of interviews with the company, that the company did not carry out new plantings starting from 2014

**7.10.3**

Greenhouse gas emissions have been well identified, such as: land use change analysis (LUCA) documents from year to year, POME production, use of renewable energy (fiber, shells and biogas), fuel use, use of fertilizers and pesticides. The inventory was carried out using the RSPO Palm Oil GHG calculator.

Based on document verification, it shows that in managing air pollution, the company has conducted air emission tests on boilers and generators as well as ambient air. The test was carried out by a KAN accredited laboratory (LP-894-IDN) on 12 April – 10 May 2022. Based on the analysis of the test results, it can be concluded that there is no value that is above the applicable quality standard, namely the Minister of Environment Regulation Number 07 of 2007 for Boilers, Minister of Environment Regulation Number 11 of 2021 for Generators and Government Regulation Number 22 of 2021 for ambient air.

The company has carried out an inventory and a GHG emission reduction plan which was set on June 2, 2022 explaining, among other things:

- Use of decanters to reduce the loading of solids in the waste pond
- Perform belt press maintenance to reduce the solids load of the waste pond
- Carry out proper maintenance and monitoring of vehicles transporting fruit to the factory, transporting workers, transporting fertilizers to the field etc. and reducing the use of diesel fuel
- Apply fertilization based on the results of soil and leaf analysis and agronomist recommendations
- Perform scheduled maintenance to minimize solar consumption
- Monitoring the use of solar
- Use fiber and shells in boilers to reduce diesel consumption
- Etc

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.10.3

**Status: Comply**

**7.11**

**Fire is not used for preparing land and is prevented in the managed area.**

**7.11.1**

The company has a zero burning policy as stated in the SOP for Land Clearing No. 31 which among other things stated that land clearing was carried out using the zero burning method. In addition, in the Sustainability Standard Operating Procedure No.9, 2nd revision dated January 18, 2018 regarding Land Clearing and Replanting in point A.2, it is stated that the no-burn policy must be applied to all types of wood waste generated.

Based on the results of the field visit to the Mandau Palm Oil Mill, there was no burning activity and based on the results of the visit at the security post there were also warnings about prohibitions and appeals not to burn land as seen in the security post.

In addition, from the results of interviews with representatives with Penaso Village that the community has been involved in preventing and controlling forest and land fires.

Based on this explanation, the company PT Adei Plantation & Industry has met indicator 7.11.1

**7.11.2**

The company already has the prevention and control of land fires as stated in the SSOP 33 document published on January 1, 2020, explaining, among other things:

- The structure of the Fire Fighting Team must implement a “No Burning” policy
- The structure of the firefighting team (DAMKAR) must be in accordance with the Minister of Agriculture Regulation No. 05 of 2018 consists of the head, secretary, person in charge of affairs (coordinator), fire team (15 members)
- Fire control consists of:
  - Early warning with warning signs "no burning"
  - Weather forecast (BMKG area)

- Fire index
- Map of fire hazard (operational area and 1 km radius)
- Socialization
- etc
- Fire fighting:
  - Take steps to prevent the spread of fire such as building fire yards (firebreaks), severing stacking lines, etc.
  - The factory must provide access to water sources if needed
  - If the fire is too big so that it cannot be extinguished, then immediately ask for the help of a fire engine from the local government and the Fire Care Farmers Group (KTPA)
  - If needed, the fire team can ask for help from other firefighters
  - etc
- Post fire handling
  - Land rehabilitation activities
  - Make a fire report using the "Plantation Land Fire Report" form
  - Reports on the occurrence of plantation land fires must be submitted to the relevant agencies as evidenced by a letter receipt
  - Etc

The company already has documents on the implementation of prevention, mitigation, fire monitoring and maintenance of facilities and infrastructure along with the reports contained in the report on efforts to prevent, overcome, and control the dangers of forest and land fires for the first semester of January – June 2022 explaining, among others:

- Fire emergency planning
  - The approach is carried out by carefully examining buildings according to their use and by planning arrangements for replanting land by providing signs that are prohibited from burning in anticipation of it which aims to provide knowledge on all plantation activities in the company
  - Organizations / units for fire rescue prevention are formed and assigned the task of handling fire prevention problems in the workplace which include administrative activities, identification of sources of danger, inspection, maintenance and repair of fire protection systems
  - The company erected a "No Burning" sign in the plantation area to remind all parties about the dangers of fire, especially in plantation areas during the dry season
  - The company also has plans for personnel training in the field of fire experts which will be carried out in May 2022 which has the responsibility to help oversee the implementation of laws and regulations in the field of fire prevention, Provide reports to the minister or appointed official in accordance with applicable laws and regulations, lead fire prevention before receiving assistance from the competent authority, etc
  - Etc

The company has a document of firefighting training conducted by the firefighter coordinator on Tuesday, May 24, 2022, which is located in the KMU.

The company has also carried out reports related to fire control for the period January – June 2022 on August 2, 2022, among others, to the Bengkalis Regency Environmental Service, Bengkalis Regency Plantation Service, Bengkalis Regency Fire Department, etc.

From the results of interviews with the Bengkalis Regency Environmental Service, that there has never been a fire in the company's operational area

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.11.2

### **7.11.3**



The Bengkalis Regency Government has submitted a request for support for the change in forest and land fire prevention actions made on January 26, 2022.

Then the company has a statement letter addressed to the Bengkalis Regency Government in response to the letter to the Bengkalis Regency Government with the Number AD-KM/VIII/2021-100 stating its support by establishing a Fire Care Communication Forum using the KARHUTLA Early Detection Information System application in Talang Mandau District, Bengkalis Regency, which aims that the company will improve the prevention of forest and land fires that occur in the Talang Mandau sub-district.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.11.3

**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**

Based on an email from RSPO Compensation dated August 23, 2018 regarding LUCA, it was found that the result was PASS with FCL status: 0 and Remediation covering an area of 17.43 hectares and the company was asked to draft a memorandum for the remediation process. In this regard, on 22 October 2020 the company sent annex 8. The remediation plan template for Mandau (17.43 ha) to the RSPO on 22 October 2020 and based on the response from the RSPO on 23 October 2020 will be reviewed by the RSPO.

**7.12.2**

Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company has no obligation to conduct a High Carbon Stock (HCS) study. The company has prepared an HCV Identification Document in August 2011 based on the Toolkit for Identification of High Conservation Value Areas in Indonesia June 2008 by Aksenta. Then the company updated the Conservation Area Identification Report on August 10, 2015. It was informed that the location of the HGU PT ADEI PLANTATION & INDUSTRY Kebun Mandau is between 2 Protected Areas determined by the government according to the Decree of the Minister of Forestry Number 173/Kpts-II/1986, June 6, 1986, namely Wildlife Sanctuary Balai Raja (2 km west of HGU) and Giam Siak Kecil Wildlife Sanctuary (15 km east of HGU, after PT Arara Abadi's HPHTI concession). However, there is no corridor between the HGU location and the protected area so it is not affected by plantation activities. The company collaborates with Aksenta with assessors Sujadnika (Approved RSPO), Pupung F. Nurwantha (Approved RSPO), Robert H. Sinaga, Gena Lysistrata and Yunus Bahar. Based on the Decree of PT Adei P&I no 1/KM/VII/2017 regarding the determination of the HCV conservation area of 236.52 which was signed on July 14, 2017. The company already has a map of the conservation area with a scale of 1:80,000.

Based on document verification and interview with management, company has conducted delineation of HCV area on 25 August 2021 by Sustainability Department. Result of delineation shows that HCV area inside HGU of PT Adei Plantation & Industry is 98.5 ha (including water spring of Papadah River, water catchment, and riparian of Penaso River). The company has mapped the protected areas within the HGU area which is then shown in the following table:

No	Conservation Area (HCV)	Area (Ha)
1	HCV 4.1 (Sei Papadah Spring)	5.5
2	HCV 1.3; 4.1;4.2;4.3; (Mill Reservoir)	52
3	HCV 4.2;5 (Penaso River & its Borders)	41
<b>Total</b>		<b>98.50</b>

The entire HCV area/conservation area owned by the company is in accordance with what is written in the basic info, which is 98.50 Ha and has covered all areas that have the potential to become protected areas.

**7.12.3**

Based on procedural note in P&C RSPO 2018, indicator 7.12.3. is not relevant to Indonesia, until further decisions by the RSPO.

**7.12.4**

Based on procedural note in P&C RSPO 2018, indicator 7.12.3. is not relevant to Indonesia, until further decisions by the RSPO. The company already has HCV monitoring and management for the period 2021/2022 which explains, among other things:

- Establish communication and coordination with institutions that have the authority to handle elephants appointed by the BKSDA government who have the knowledge and ability to handle human-elephant conflicts
- Improve knowledge and skills in handling human-elephant conflict
- Provide understanding and understanding to all plantation employees about the function of the reservoir
- Make a warning board about not capturing/hunting/maintaining protected species
- Planting natural vegetation in an already open area
- Maintain the demarcated markers of the conservation area that have been mapped
- Installing predefined notification boards
- Make a clear mark 20 meters from the bank of the papah river as the boundary of the area where chemical applications are not allowed, the boundary that is not opened during land clearing
- Anticipating fires along the Penaso River DSS
- Enriching open riverbanks with riparian plants
- Etc

The company shows an HCV management and monitoring plan for the period 2021-2022 which contains information on HCV attributes, objectives, management plan and time frame, as well as PIC. For example, the company has demonstrated the results of HCV management and monitoring in 2021 as shown below:

- Protect endangered species such as establishing procedures for handling elephants
- Establish communication and coordination with BKSDA
- Create a warning board about the prohibition of capturing and hunting protected species
- Anticipation of fires on the Penaso river border
- Coordinate and maintain good relations with local communities

A review of the environmental and social management and monitoring plan was carried out by means of a questionnaire and involved internal stakeholders such as Labor Unions, and employees and the surrounding village communities such as Semunai Village, Balai Pungut, Tenganau, Titan Antui, Kuala Penaso, Balai Raja, and Muara Basung which was carried out on October 2021.

Based on the results of field visits to the Penaso River Border, the company has managed the river border well, no traces of chemical or pesticide application were found, the company has also marked the spray limit.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.12.4

**7.12.5**

The company has evidence that an agreement has been negotiated to optimally protect HCV and local community rights. There is evidence that consultation with affected communities has been carried out to identify areas that are needed by the community to meet their basic needs, taking into account the positive or negative change on livelihoods as a result of operational estates. Company has Statement from Regional Director of PT Adei Plantation & Industry Mandau Estate No: TKY / 2013/047, dated December 4, 2013 concerning the Determination of Mandau Plantation Land Status. In the letter stated that there is conservation area of indigenous people (Malay Sakai tribe) in the area of PT ADEI P & I HGU. This is in accordance with the results of the "Results Summary of the Area Discussion Meeting Defined as Native Conservation in the PT ADEI P & I HGU Area and PT ARARA ABADI HTI District Duri area as Plantation Substitute Area PT Adei Plantation & Industry dated April 13, 2000 Ministry of Forestry and Plantations Regional Office of Riau Province.

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.12.5

**7.12.6**

The company already has for the protection of rare, threatened or critical species as stated in the SSOP 22 HCV Identification, Management and Monitoring of Conservation Areas and Flora and Fauna documents which explain, among others:

- Monitoring the presence of poaching by security guards and recording it in a book
- Use checklists for monitoring HCV and flora and fauna
- Monitoring is carried out at least 1 x 2 months by trained officers
- Report all prohibited activities to the authorities
- Evaluate the monitoring data that is made every year
- Etc

The company has conducted socialization of protected areas and HCVs to the workforce and the community around the plantation, for example, the Minutes of Socialization of HCV and Protected Animals which was held on April 19, 2022 to 29 employees.

Based on the results of interviews with workers, that there are no cases of protected species with company workers

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.12.6

#### 7.12.7

The company already has HCV monitoring and management for the period 2021/2022 which explains, among other things:

- Establish communication and coordination with institutions that have the authority to handle elephants appointed by the BKSDA government who have the knowledge and ability to handle human-elephant conflicts
- Improve knowledge and skills in handling human-elephant conflict
- Provide understanding and understanding to all plantation employees about the function of the reservoir
- Make a warning board about not capturing/hunting/maintaining protected species
- Planting natural vegetation in an already open area
- Maintain the demarcated markers of the conservation area that have been mapped
- Installing predefined notification boards
- Make a clear mark 20 meters from the bank of the papah river as the boundary of the area where chemical applications are not allowed, the boundary that is not opened during land clearing
- Anticipating fires along the Penaso River DSS
- Enriching open riverbanks with riparian plants
- Etc

The company has conducted socialization of protected areas and HCVs to the workforce and the community around the plantation, for example, the Minutes of Socialization of HCV and Protected Animals which was held on April 19, 2022 to 29 employees.

Based on the results of interviews with workers, that there are no cases of protected species with company workers

Based on this explanation, the company PT Adei Plantation & Industry has met the indicator 7.12.7

#### 7.12.8

Based on an email from RSPO Compensation dated 23 August 2018 regarding LUCA, it is known that the results are PASS with FCL status: 0 and Remediation area of 17.43 hectares and the company was asked to draft a note concept for the remediation process. In relation to this, on 22 October 2020 the company sent annex 8. The remediation plan template for Mandau (17.43 ha) to RSPO on 22 October 2020 and based on the response from RSPO on 23 October 2022 will be reviewed by RSPO.

Company has shown result of communication with RSPO based on email from RSPO (rspocompensation@rspo.org) on 22 February 2022 which states that "Thank you very much for your email, apologise for the late response. I am delighted to inform you that the Remediation Plan for PT Adei: Kebun Mandau has been reviewed and endorsed. Remediation Plan for PT Adei-Kebun Mandau with 5.49 ha remediation area of riparian buffer for floodplain area, 0 Final Conservation. Addressing a small remediation area, project is less risk."

**Status: Comply**

3.2 Conformity Checklist of Certificate and Trademark Use

1.	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or</b> √
RC	PT Adei Plantation & Industry do not use trademark or logo	√
	<b>Status: Comply</b>	
2.	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or</b> √
RC	PT Adei Plantation & Industry do not use trademark or logo	√
	<b>Status: Comply</b>	
3.	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or</b> √
RC	PT Adei Plantation & Industry do not use trademark or logo	√
	<b>Status: Comply</b>	
4.	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or</b> √
RC	PT Adei Plantation & Industry do not use trademark or logo	√
	<b>Status: Comply</b>	

**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 1 December 2021.

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
- Based on the results of the auditor's verification, all information related to units that have not been certified have been included in the company's own assessment.
- There is additional information related to several units that are no longer included in the company's timebound plan, for example: Mill1 (Malaysia) and PT Anugrah Surya Mandiri (Indonesia).

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 uncertified unit :</p> <ul style="list-style-type: none"> <li>- Sinergi POM</li> <li>- IPS POM</li> <li>- Nilo POM 1</li> <li>- Bumi Makmur Sejahtera</li> <li>- Prima POM</li> <li>- Putra Bongan Jaya POM</li> <li>- PWS POM</li> <li>- Segah POM</li> <li>- Palm Bay Mill</li> </ul>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<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:</p>

		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 other uncertified unit, known that there is no new planting
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>The newly acquired lands will adhere to the NPP procedures when it is ready. However, HCV assessment was conducted prior to development. There is new planting after January 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	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<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 obtains by web search.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<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. The company has a mechanism for dealing with complaints.</p>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor verification There's uncertified unit that still on HGU process:</p> <ul style="list-style-type: none"> <li>- PT Bumi Makmur Sejahtera</li> <li>- PT Menteng Jaya Sawit Perdana</li> </ul>



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 ASA-1.4 Assessment

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
Non-Conformance Description (filled by auditor):					
DURING THE AUDITING PROCESS THE AUDITOR DOES NOT IDENTIFY THE NONCONFORMITY IN ACCORDANCE WITH RSPO P&C					
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	:				

3.4.2. Identification of Findings, Corrective Actions and Observations at Recertification Assessment

<b>NCR No.</b>	:		<b>Issued by</b>	:	
<b>Date Issued</b>	:		<b>Time Limit</b>	:	
<b>NC Grade</b>	:		<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:				
<b>Evidence observed</b> (filled by auditor):					
<b>Non-Conformance Description</b> (filled by auditor):					
DURING THE AUDITING PROCESS THE AUDITOR DOES NOT IDENTIFY THE NONCONFORMITY IN ACCORDANCE WITH RSPO P&C					
<b>Root Cause Analysis</b> (filled by organization audited):					
<b>Correction</b> (filled by organization audited):					
<b>Corrective Action</b> (filled by organization audited):					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):					
<b>Verified by</b>	:				

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	6.2.2	<p><b>There is a work agreement along with related documents that regulates detailed wages and work requirements (for example regular working hours, deductions, overtime, sick leave, right to vacation (leave), maternity leave, reasons for dismissal, notification period before dismissal, etc. according to national regulatory requirements) and salary breakdown documents that provide accurate information on compensation for work performed.</b></p> <p>Companies are encouraged to ensure that the plan to outsource the work of security personnel to KMS unit starting in July 2022 is in accordance with applicable regulations, including the provisions in the work agreement.</p>
2	6.7.1	<p><b>The person in charge of Occupational Safety and Health (OHS) is identified. Records of regular meetings between the person in charge and the workers are available. The interests of all parties related to safety, health and welfare were discussed at the meeting. Any issues that arise are noted down.</b></p> <p>Based on the results of the review of Occupational Health and Safety Committee (<i>P2K3</i>) monthly routine meeting documents for the period from April to d. June 2022 for plantations and factories, it is known that there were several serious and fatal work accidents that occurred during these months and the management has discussed this. However, in this minutes from April to June 2022 on the OHS section, Work Accidents and Other Notes, the explanations are mostly/relatively the same from the previous month to the following month. Though the events that occur in these months are different, for example:</p> <ul style="list-style-type: none"> <li>- Minutes in June 2022 there were serious work accidents in KMS and KMU, but in the previous month (May) serious accidents only occurred in KMS, but the minutes of both months were mostly the same.</li> <li>- Minutes in June 2022 there were serious accidents in Mandau POM, but in the previous month (May) there were only minor/minor accidents, but the minutes of the two months were mostly the same.</li> </ul> <p>Although there are still many similarities in the writing of the minutes of the meeting, the company has carried out different and targeted mitigation activities such as:</p> <ul style="list-style-type: none"> <li>- Has carried out accident investigation activities for every work accident that occurred and there is a chronology of events.</li> <li>- Has carried out several reviews/revisions of HIRAC in accordance with work accidents such as changes to the HIRAC Mandau POM on June 20, 2022 by including mitigation activities that were not previously listed in HIRAC (resin washing, due to a heavy work accident that occurred in June 2022) and amended again on 07 September 2022 due to the results of the P2K3 meeting that month by adding several activities.</li> <li>- Routine socialization activities related to notes discussed in P2K3 meetings and others.</li> </ul> <p>Based on the explanation above, the company has the opportunity to ensure that every Occupational Health and Safety Committee (<i>P2K3</i>) meeting minutes are in line with the OHS activities/mitigations that have been discussed and realized.</p>
3	7.3.1	<p><b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.</b></p> <p>The company has the opportunity to carry out <i>SLO</i> process for domestic waste in accordance with</p>

		<p>the trial time stated in the document number 660/DLH-TL/2022/359 on 08 September 2022 regarding the use of domestic wastewater for application to the soil (street watering) of PT Adei Plantation &amp; Industry in Pinggir District Bengkalis Regency, Riau Province until the issuance of the SLO</p> <p>The company has the opportunity to process the permit for the Temporary Storage of Hazardous and Toxic Waste in accordance with the timeline set by the company</p>
4	7.3.2	<p><b>Proven proper disposal of waste materials in accordance with procedures that are fully understood by workers and managers.</b></p> <p>The company has the opportunity to manage festronic documents for the transportation of Hazardous and Toxic Waste for both plantation units according to the timeline set on 17 September 2022.</p>

#### 3.4.4. Noteworthy Positive Components

No	Ref. Std.	Description
1	-	Has educational facilities up to junior high school level.
2	-	Have ISCC certificate
3	-	Have a good relationship with the surrounding community
4	-	Support PSR program partnerships.

**3.5 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Land Agency of Bengkalis Regency</b></p> <ul style="list-style-type: none"> <li>- There are no land disputes over land rights owned by the company.</li> <li>- The official relationship with the company is good and routine reports are received by the department.</li> <li>- The process of extending the HGU is known by representatives of the surrounding community.</li> <li>- Regarding the issue of damage to forest areas, the agency ensures that all of the company's operational areas are located on land that has been clean and clear according to regulations.</li> </ul>	<p>There's no negative issues need to further verification.</p>
<p><b>Bengkalis Regency Environmental Service</b></p> <ul style="list-style-type: none"> <li>- There are no issues related to environmental pollution</li> <li>- No fire</li> <li>- Compulsory reports have been submitted by the company on a regular basis</li> <li>- Companies often communicate with agencies.</li> <li>- No overlap with forest area</li> <li>- Participate in CSR forums, but companies are asked to activate CSR programs in the environmental field</li> </ul>	<p>There's no negative issues need to further verification.</p>
<p><b>Plantation Agency of Bengkalis Regency</b></p> <p>The communication relationship with the company over the past year is still quite good. The company already has an IUP which has been approved for amendment in 2021 due to a change in the area under management in accordance with the issuance of a new HGU permit in 2021. The plantation business assessment was carried out in 2022 (received a "Class 2" assessment) for the company and is valid until 2025. During 2021 to August 2022 the agency never submitted a letter of request for information to the company.</p> <p>There are no issues or incidents related to land fires, land disputes/claims with the community and others. The fire fighting infrastructure owned is considered adequate and refers to government regulations. Mandatory reports have been reported on a regular basis in accordance with the specified timeline. CSR has been reported in the plantation business development report and currently there are still indigenous people living around the company, namely the Sakai Tribe. The CSR program has covered the surrounding community, including indigenous peoples. The company has also carried out the</p>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>development of community plantation as much as 20% of the HGU land it owns and has been removed from the company's management area at the time of extending the HGU permit in 2021.</p>	
<p><b>Manpower and Transmigration Agency of Bengkalis Regency</b>  <b>Interviewee: Head of Industrial Relations Division)</b></p> <ul style="list-style-type: none"> <li>• Company has given wages in accordance with minimum wage wet by Bengkalis Regency. There are no reports of violations of the application of wages and overtime.</li> <li>• Communication between the company and the Department of Manpower went well,</li> <li>• Companies routinely report of its employees.</li> <li>• There are no work accidents that cause death.</li> <li>• There is a report to the Manpower Agency from the Labor Union in the company regarding 2 workers from the plantation who did not accept the warning letter in August 2022. Manpower Agency has facilitated and mediated for both parties. 1 worker has received the results of the mediation, and 1 other person has not received it. The Manpower Office has issued a recommendation to both parties to complete the report by August 2022.</li> </ul>	<p>Auditor has carried out further verification by requesting supporting documents regarding the refusal to give warning letters to 2 workers. In this case, the company shows the following documents:</p> <ul style="list-style-type: none"> <li>• First Warning Letter No. KMU/P-INT/03/DIV 5 KM 2/03/2022 dated 23 March 2022, Second Warning Letter No. KMU/P-INT/02/DIV 5 KM 2/05/2022 dated 23 May 2022, and First Summons Letter No. KMU/P-INT/01/DIV.5/SP/02/2022 dated 23 May 2022 from KM2 Manager to harvesters o.b. SRM (initials). This warning letter is due to harvesters had breaking the discipline rule.</li> <li>• First Warning Letter No. KMU/P-INT/04/DIV 5 KM 2/03/2022 dated 23 March 2022, Second Warning Letter No. KMU/P-INT/03/DIV 5 KM 2/05/2022 dated 31 May 2022, and the First Summons Letter No. KMU/P-INT/02/DIV.5/SP/05/2022 dated 31 May 2022 from KM2 Manager to harvesters o.b. RRN (initials). This warning letter is because the harvester does not complete the random harvest and is lost to be followed-up.</li> <li>• Letter No. 56/PUK.SPPP-SPSI/KMU/06/2022 dated 7 June 2022 from SPSI to PT Adei Plantation &amp; Industry regarding bipartite negotiations 1 dated 9 June 2022.</li> <li>• Minutes of Bipartite Negotiations dated 9 June 2022 with the conclusion that the parties agree that both parties will conduct bipartite phase 2 and the agreement has not yet agreed to cancel warning letter 2.</li> <li>• Letter No. 57 PUK.SPPP-SPSI/KMU/06/2022 dated 20 June 2022 from SPSI to PT Adei Plantation &amp; Industry regarding bipartite negotiations 2 dated 22 June 2022.</li> <li>• Minutes of Bipartite Negotiations dated 25 June 2022 with the conclusion that the company retains the warning letters that have been given to the two workers, while the trade union rejects the warning letters so that both parties agree to resolve the issue at the tripartite level.</li> <li>• Letter No. 60/PUK-SPPP-SPSI/KMU/06/2022</li> </ul>



Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>dated 5 July 2022 from PUK-SPPP-SPSI to the Manpower and Transmigration Agency of Bengkalis Regency regarding the application for registration of industrial relations disputes.</p> <ul style="list-style-type: none"> <li>• Letter No. 560/DTKT-HIJ/2022/473 dated 22 August 2022 from the Manpower and Transmigration Agency of Bengkalis Regency to PT Adei Plantation &amp; Industry and PUK-SPPP-SPSI regarding the call for clarification on the above issues.</li> <li>• Statement letter from employee o.b. SRM (initials) dated 25 August 2022 which states that the worker has received a warning letter and will not sue again.</li> <li>• Letter No. 560/DTKT-HIJ/2022/484 dated 29 August 2022 from the Manpower and Transmigration Agency of Bengkalis Regency regarding a recommendation containing a warning letter to workers o.b. RRN (initials) can be justified, and so that the next settlement can file a lawsuit to the Industrial Relations Court if one of the parties rejects the recommendation.</li> </ul> <p>Based on interviews with company management and PUK-SPPP-SPSI, information was obtained that both parties had received the recommendation from the Bengkalis Regency Manpower and Transmigration Agency.</p>
<p><b>Gender Committee</b> <b>Interviewee: General head of Gender Committee</b></p> <ul style="list-style-type: none"> <li>• Gender Committee activities include socialization of sexual harassment, complaints, general health and so on. There are no issues related to sexual harassment.</li> <li>• Female workers have the right to get menstruation leave (H1) and maternity leave (H2).</li> <li>• The gender committee had a religious program every week and public health service.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Labor Union</b> <b>Interviewee:</b></p> <ul style="list-style-type: none"> <li>• KSPSI (Head of Labor Union)</li> <li>• PUK-SPPP-SPSI (Head of Labor Union)</li> <li>• SBRI (Head of Labor Union)</li> <li>• SBSI (Head of Labor Union)</li> </ul> <p>Labor Union have been registered in Manpower Agency of Bengkalis Regency. Salary implementation is in accordance with minimum wage in 2022. In addition, payment of salaries has been in accordance with specified time and through</p>	<p>There are no issues that need to be further verified.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
transfer. There are no labor issues which has not been finalized.	
<p><b>Worker Cooperative</b> <b>Interviewee: Head of Worker Cooperative</b></p> <ul style="list-style-type: none"> <li>• Company has a policy to support the formation of workers' cooperatives to assist the welfare of its employees.</li> <li>• Company's support for workers' cooperatives is by providing capital loans, as well as providing buildings for cooperatives in each unit.</li> <li>• The cooperative is engaged in the sale of drinking water and basic necessities.</li> <li>• Annual Member Meeting for the financial year 2020 has been held in 2021. The Annual Member Meeting for the financial year 2021 will be held in September 2022.</li> </ul>	There are no issues that need to be further verified.
<p><b>Titian Antui &amp; Balai Raja Urban Village</b></p> <ul style="list-style-type: none"> <li>- Currently, there is a plan for the company's partnership with the surrounding community, but the village is still coordinating the community regarding the desired partnership pattern.</li> <li>- Good public relations with the company.</li> <li>- Many people work in the company.</li> <li>- Until now there are no issues related to environmental pollution or land disputes.</li> <li>- Social assistance has also been received by the community, such as road repairs and other assistance.</li> <li>- Representing the previous land owner, the village head acknowledged that there were no problems related to the process of transferring land ownership.</li> </ul>	There's no negative issues need to further verification.
<p><b>PT Koto Pait Mandiri (FFB Tansporter).</b> The company has a cooperation agreement with the transporter for the transportation of FFB (Fresh Fruit Bunches) from Mandau Selatan Estate to Mandau POM. The agreement has been signed by both parties and each party has a copy of the agreement with the same legal force. The company always pays in a timely manner for the completion of the work in accordance with the timetable stipulated in the agreement and there is never a difference from the specified amount.</p> <p>The transporter has received regular socialization every year from the company related to OHS and company policies. In the agreement, the transporter is willing to be audited by a third (external) party if at any time necessary and is obliged to carry out relevant government regulations such as OHS, Manpower and others. This has been carried out by the transporter such as providing PPE to its workers, registering BPJS in stages and other obligations.</p>	There are no negative issues that need further verification.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>PT Dongan Maju Bersama (PK Transporter).</b> The company has a cooperation agreement with the transporter for the transportation of PK (Palm Kernel) from Mandau POM to KCP (Kernel Crushing Plant). The agreement has been signed by both parties and each party has a copy of the agreement with the same legal force. The company always pays in a timely manner for the completion of the work in accordance with the timetable stipulated in the agreement and there is never a difference from the specified amount.</p> <p>The transporter has received regular socialization every year from the company related to OHS and company policies. In the agreement, the transporter is willing to be audited by a third (external) party if at any time necessary and is obliged to carry out relevant government regulations such as OHS, Manpower and others. This has been carried out by the transporter such as providing PPE to its workers, registering BPJS in stages and other obligations.</p>	<p>There are no negative issues that need further verification.</p>
<p><b>PT Dalam Maju Bersama (CPO Transporter).</b> The company has a cooperation agreement with the transporter for the transportation of CPO (Crude Palm Oil) from Mandau POM to the buyer. The agreement has been signed by both parties and each party has a copy of the agreement with the same legal force. The company always pays in a timely manner for the completion of the work in accordance with the timetable stipulated in the agreement and there is never a difference from the specified amount.</p> <p>The transporter has received regular socialization every year from the company related to OHS and company policies. In the agreement, the transporter is willing to be audited by a third (external) party if at any time necessary and is obliged to carry out relevant government regulations such as OHS, Manpower and others. This has been carried out by the transporter such as providing PPE to its workers, registering BPJS in stages and other obligations.</p>	<p>There are no negative issues that need further verification.</p>
<p><b>Tani Jaya Group (Palm Oil Plantation Partnership).</b> The company cooperates with farmer groups to assist in the management of PSR (People's Palm Oil Rejuvenation) and also the construction of an oil palm partnership plantation which will later be managed in Full Manage by the company. Has a written agreement signed by a representative of the farmer group with the company and is known by the Village Head, Head of Sub-district and Bengkalis Regency Plantation Service.</p> <p>The development progress is currently still in the stage of waiting for the approval of the application for PSR (People's Palm Oil Rejuvenation) from the BPKP (Financial and Development Supervisory Agency) Riau Province. The farmer</p>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>group has targeted plantation development activities by the end of 2022 with a planned area of 51 hectares for + 34 members.</p>	
<p><b>Farmers' Group Association Tunas Harapan (Palm Oil Plantation Partnership).</b>            Currently, the company is still providing guidance in the form of socialization related to GAP (Good Agriculture Practices) for Palm Oil to farmer groups. This is done to attract the attention of other members to join in the plan to develop a partnership plantation which will be launched when enough members have gathered with a certain area. Progress is still in the stage of collecting files, conducting soil surveys for members and socializing and transferring knowledge related to GAP (Good Agriculture Practices) for Palm Oil to members only. The draft agreement for the new partnership plantation development was signed by representatives of the farmer groups and the company only.</p>	<p>There are no negative issues that need further verification.</p>
<p><b>PT Riau Security Indonesia Security Service</b></p> <p>The cooperative relationship that has been going on is quite good and there are no obstacles while working with the company</p>	<p>There's no negative issues need to further verification.</p>
<p><b>PT Abid Pratama Mandiri FFB Transportation, Construction, Labor</b></p> <p>The cooperative relationship that has been going on is quite good and there are no obstacles while working with the company</p>	<p>There's no negative issues need to further verification.</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-start;"> <div style="text-align: center;"> <p>PT Adei Plantation &amp; Industry Asst. GM Kebun Mandau</p>  <p><u>Heru Andoyo SP</u> Friday, 30 September 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Briyogi Shadiwa</u> Friday, 30 September 2022</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	Land Agency of Bengkalis Regency	Bengkalis Regency	-	Direct Interview	13 September 2022	✓	
2	Bengkalis Regency Environmental Service	Bengkalis Regency	-	Interview by phone	13 September 2022	✓	
3	Labor and Manpower Agency	Bengkalis District, Riau Province	-	Interview by phone	13 September 2022	✓	
4	Dinas Perkebunan	Bengkalis Regency	-	Interview by phone	13 September 2022	✓	
5	PT Koto Pait Mandiri (Transporter TBS)	Bengkalis Regency	-	Interview by phone	14 September 2022	✓	
6	PT Dongan Maju Bersama (Transporter PK).	Bengkalis Regency	-	Interview by phone	15 September 2022	✓	
7	PT Dalan Maju Bersama (Transporter CPO)	Bengkalis Regency	-	Interview by phone	13 September 2022	✓	
8	Kelompok Tani Jaya (Kemitraan Kebun Kelapa Sawit)	Bengkalis Regency	-	Interview by phone	13 September 2022	✓	
9	Gabungan Kelompok Tani Tunas Harapan (Kemitraan Kebun Kelapa Sawit)	Bengkalis Regency	-	Interview by phone	13 September 2022	✓	
10	Gender Committee	PT Adei Plantation & Industry	-	Direct Interview	13 September 2022	✓	
11	Labor Union <ul style="list-style-type: none"> <li>• KSPSI (Head of Labor Union)</li> <li>• PUK-SPPP-SPSI (Head of Labor Union)</li> <li>• SBSI (Head of Labor Union)</li> </ul>	PT Adei Plantation & Industry	-	Interview by phone	13-15 September 2022	✓	
12	Labor Union of SBRI (Head of Labor Union)	PT Adei Plantation & Industry	-	Direct Interview	13 September 2022	✓	
13	Worker Cooperative	PT Adei Plantation & Industry	-	Direct Interview	13 September	✓	



No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
					2022		
14	Mandau POM <ul style="list-style-type: none"> <li>• 1 security</li> <li>• 1 workshop operator</li> <li>• 1 storage operator</li> <li>• 2 petugas sortasi</li> <li>• 1 mandor proses dan 5 operator proses</li> <li>• 1 boilerman dan 3 fireman</li> <li>• 1 engine room operator</li> <li>• 3 emergency response team member</li> </ul>	PT Adei Plantation & Industry	-	Direct Interview	13 September 2022	✓	
15	KMS <ul style="list-style-type: none"> <li>• 1 workshop operator</li> <li>• 1 storage operator</li> <li>• 3 residents of housing complex of KM5</li> <li>• 1 supervisor dan 5 pesticide applicator</li> <li>• 1 supervisor dan 2 census workers.</li> <li>• 3 upkeep workers</li> <li>• 1 supervisor dan 3 manuring workers.</li> <li>• 1 supervisor 1 mechanical loader dan 5 harvester</li> <li>• 1 FFB transporter driver</li> </ul>	PT Adei Plantation & Industry	-	Direct Interview	14 September 2022	✓	
16	KMU <ul style="list-style-type: none"> <li>• 4 workshop operators</li> <li>• 2 storage operators</li> <li>• 1 agrochemical</li> </ul>	PT Adei Plantation & Industry	-	Direct Interview	15 September 2022	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	mixing operator • 1 resident of housing complex of KM3 • 1 supervisor, 2 nursery workers dan 2 contractor workers • 1 supervisor dan 3 upkeep workers • 2 road maintenance workers • 1 supervisor, 1 mechanical loader dan 5 harvesters • 1 grabber operator dan 4 EFB applicator • 1 supervisor dan 6 pesticide applicator						
17	Titian Antui & Balai Raja Urban Village	Bengkalis Regency	-	Interview by phone	13 September 2022	✓	
18	PT Riau Security Indonesia	Bengkalis Regency	-	Direct Interview	14 September 2022	✓	
19	PT Abid Pratama Mandiri	Bengkalis Regency	-	Direct Interview	14 September 2022	✓	
20	World Wide Fund	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Via email	2 September 2022		✓
21	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@wahi.or.id">informasi@wahi.or.id</a>	Via email	2 September 2022		✓
22	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	2 September 2022		✓
23	AMAN	Indonesia	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Via email	2 September 2022		✓

**Appendix 2. Assessment Program**

DATE	12 – 17 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 12 September 2022</b>		
07.30 – 09.15	<b>JAKARTA (CGK) → PEKANBARU (PKU) : GA-154</b>	<b>All Auditor</b>
10.00 – 12.00	<b>PEKANBARU → MANDAU POM</b>	<b>All Auditor</b>
14.00 – 15.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	<b>All Auditor</b>
15.00 – 17.00	<b>Verification of Basic Information:</b> <ul style="list-style-type: none"> <li>FFB Production Data</li> <li>Scope of Certification</li> <li>Map</li> </ul>	<b>All Auditor</b>
<b>Tuesday, 13 September 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Bengkalis Regency by Phone</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li> <li>Interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier by phone or direct.</li> </ul>	<b>BSH</b> <b>ERL &amp; RRS</b> <b>RGR</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field observation to Mandau POM:</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Presentation of Daily Progress</li> </ul>	<b>RGR</b> <b>ERL &amp; RRS</b> <b>BSH</b> <b>All Auditor</b>
<b>Wednesday, 14 September 2022</b>		
08.00 – 12.00	<b>Field Observation to Mandau Utara Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>ERL</b> <b>RGR</b>  <b>BSH &amp; RRS</b>  <b>ERL</b> <b>ERL</b>

DATE	12 – 17 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	- Interview with related personnel during field observation	BSH, RGR & ERL
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Presentation of Daily Progress.</li> </ul>	All Auditor
<b>Thursday, 15 September 2022</b>		
08.00 – 12.00	<b>Field Observation to Mandau Utara Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Interview with related personnel during field observation</li> </ul>	ERL RGR  BSH & RRS  ERL ERL BSH, RGR & ERL
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Presentation of Daily Progress.</li> </ul>	All Auditor
<b>Friday, 16 September 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	All Auditor
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Presentation of Daily Progress.</li> </ul>	All Auditor
<b>Saturday, 17 September 2022</b>		
09.00 – 10.00	<b>Closing Meeting :</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	All Auditor
10.00 – 12.00	<b>MANDAU POM → PEKANBARU</b>	All Auditor
15.30 – 17.15	<b>PEKANBARU (PKU) → JAKARTA (CGK) : ID-6855</b>	All Auditor