

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **Nilo POM 1 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd.**
 Plantation Name : **Nilo Barat 1 Estate and Nilo Barat 2 Estate**
 Location : **Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia.**
 Certificate Code : **MUTU-RSPO/039**
 Date of Certificate Issue : 14 May 2014 Date of License Issue : 14 May 2017
 Date of Certificate Expiry : 13 May 2019 Date of License Expiry : 13 May 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	29 March – 1 April 2017 & 5 April 2017	Leonada (LA Witnessed), Sandra Purba (LA Witnesser), Brigitta Prita, Benli Manurung and Sahat Simarmata	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	08 June 2017

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FIGURE

Figure 1. Location Map of PT Adei Plantation & Industry

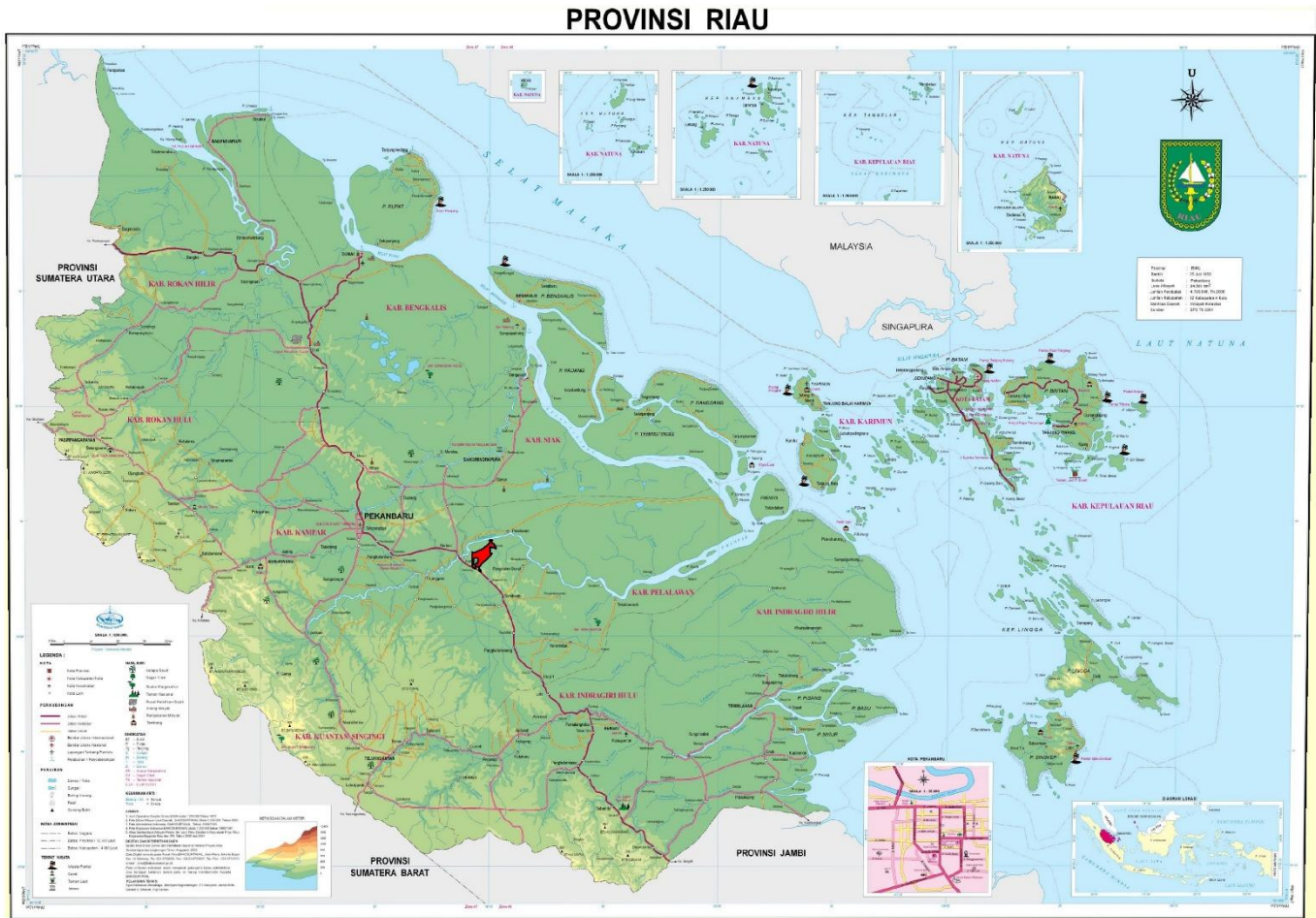
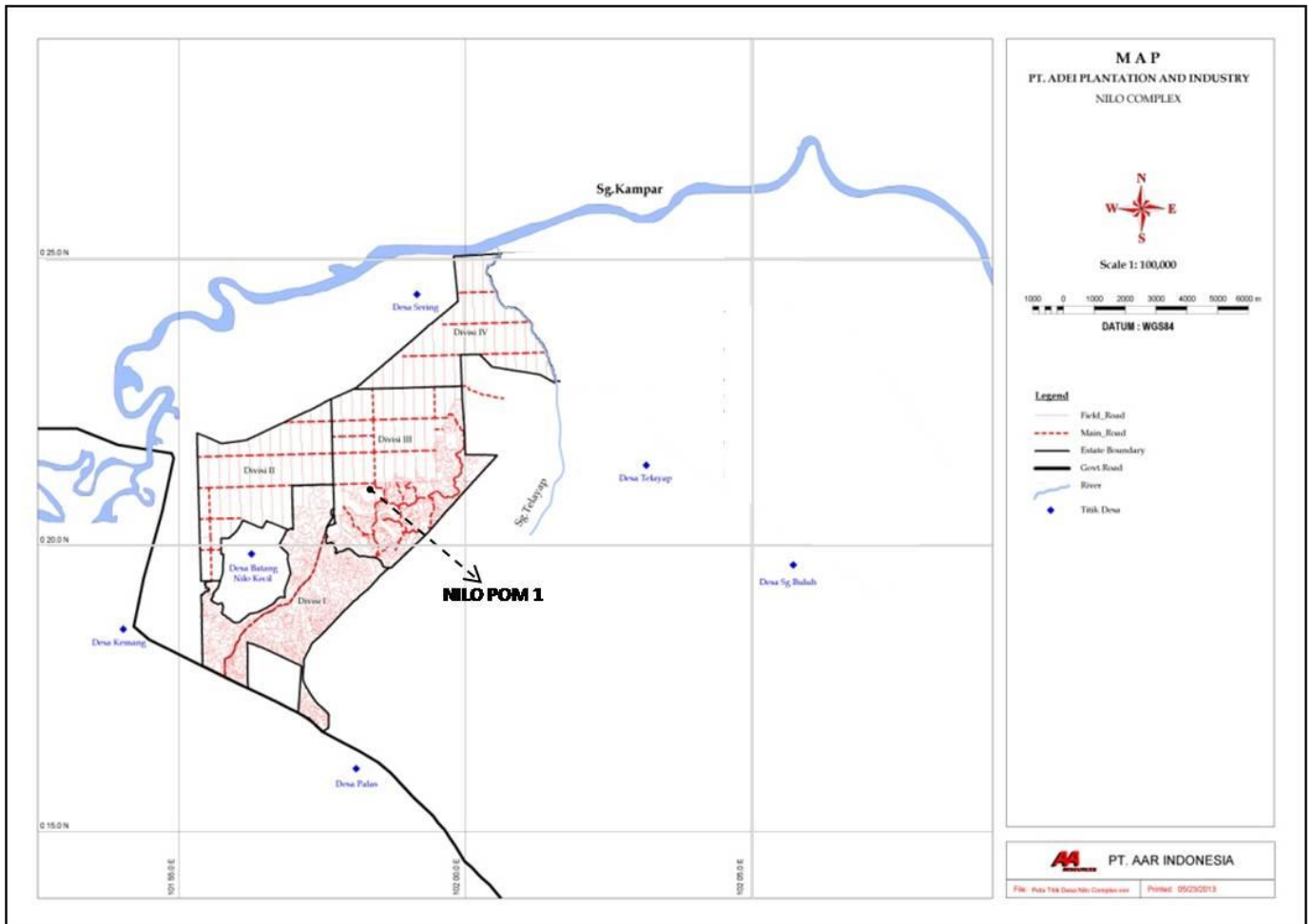


Figure 2. Operational Map of Nio Barat 1 & 2 Estate



Glossary

BPN	:	Badan Pertanahan Nasional (national Land Agency)
B3	:	Hazardous Material
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responsibility
EIA	:	Environmental Impact Analysis
FFB	:	Fresh Fruit Bunches
FGD	:	Focus Group Discussion
FPIC	:	Pree, Prior, Informed, Concern
GHG	:	Green House Gass
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (<i>Land Use Title</i>)
KKPA	:	Kredit Kepada Koperasi Untuk Anggotanya (Cooperative Credit Sceme)
KNB 1	:	Kebun Nilo Barat 1 Estate
KNB 2	:	Kebun Nilo Barat 2 Estate
MSDS	:	Material safety Data Sheet
OHS	:	Occupational Health and Safey
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PT AP&I	:	PT Adei Plantation & Industry
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (<i>Guiding Committee of Occupational Safety and Health</i>)
PK	:	Palm Kernel
RSPO	:	Rountable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SOP	:	Standart Operating System
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Pond

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
	<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> • RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill) 		
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Bhd	
1.2.2	Contact person	Tan Kei Yoong	
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000 Liasion Office: Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau	
1.2.4	Telephone	0761 – 571885, 571861/62	
1.2.5	Fax	0761 – 571884	
1.2.6	E-mail	ky.tan@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Tan Kei Yoong	
1.2.9	Registered as RSPO member	18 October 2004 No. Registrasi 1-0014-04-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Nilo POM 1, Nilo Barat 1 Estate and Nilo Barat 2 Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Nilo POM 1	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 00° 20' 53" E 101° 58' 18"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Nilo Barat 1 Estate	Batang Nilo Kecil Village, Sub District of Pelalawan and Kemang village,	N 0° 17' 48" E 101° 55' 57"

	Sub District Pangkalan Kuras, District of Pelalawan, Propinceof Riau, Indonesia		
Nilo Barat 2 Estate	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 00° 20' 59"	E 101° 58' 28"
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	12,860	Ha
	• Community	-	Ha
1.5.2	Area Statement		
	• Total area	6,284	Ha
	• Mature area	5,036	Ha
	• Immature area	914	Ha
	• Mill/Building/Housing	52	Ha
	• Road and bridges	95	Ha
	• Nursery	10	Ha
	• Occupation	-	Ha
	• Drain	77	Ha
	• HCV	100	Ha
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		KNB 1 Estate	KNB 2 Estate
			Total
	1992	108	0
	1998	801	0
	1999	944	875
	2000	682	953
	2001	0	450
	2002	0	132
	2003	17	74
	2015	0	124
	2016	280	286
	2017	0	224
	TOTAL	2,832	3,118
1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	2 nd Cycle	
1.7	Description of Mill and Supply Base		
1.7.1	Description of Mill		

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	NILO POM 1	90	190,719	40,148	21.05	9,456	4.96
*Production data source from 12 months before assessment (April 2016 to March 2017)							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	KNB1 Estate	2,950	2,832	52,012.22	18	51,834	99.66
	KNB2 Estate	3,334	3,118	50,002.49	16	41,958	83.91
	TOTAL	6,284	5,950	102,014.71	17	93,792	91.79
*Production data source from 12 months before assessment (April 2016 to March 2017)							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	PT. Safari Riau (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	54,040			
	KKPA Telayap 465 smallholders, 1002 Ha (Non certified)	PT Adei P&I (Associated Smallholder)	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	1,373			
	KKPA Batang Nilo Kecil 220 smallholders, 540 Ha (Non certified)	PT Adei P&I (Associated Smallholder)	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	8,067			
	KKPA Safari Riau (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	12,384			
	KKPA Desa Sering 50 smallholders, 120 Ha (Non certified)	PT Adei P&I (Associated Smallholder)	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	964			
	KTA Safari (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	1,108			
	KKPA Pelalawan 149 smallholders, 352 Ha (Non certified)	PT Adei P&I (Associated Smallholder)	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	1,234			
	CV.CDP MANDIRI (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	4,875			
	CV. LIMBER PLASMA (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	12,295			
	CV. SEJAHTERA JAYA (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau	463			

	CV.BINA MANDIRI JAYA (Non certified)	Independend Outgrower	Kecamatan Pelalawan, Kabupaten Pelalawan, Riau		122		
TOTAL				96,925			
<i>*Source Production Data on 12 months before assessment (April 2016 to March 2017)</i>							
1.7.4	Product categories		FFB, CPO, PK				
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 14 May 2016 to 13 April 2017 (tonnes/year)	Actual certified product 14 May 2016 to 31 Maret 2017 (tonnes/year)			
	• FFB Production		126,459.38	91,565.67			
	• CPO Production		27,964.61	17,859.68			
	• Palm Kernel (PK) Production		6,616.47	4,216.96			
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	KNB1 Estate	2,950	2,832	54,613	19		
	KNB2 Estate	3,334	3,118	52,503	17		
	TOTAL	6,284	5,950	107,116	18		
<i>*Projected FFB production for 12 months of certificate</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	NILO POM 1	90	107,116	23,565	22	5,356	5
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications						
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others						
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	MANAGEMENT UNIT		LOCATION	Coverage Area (Ha)	Time Bound	Status	
	P O M	Estate (Supply Base)					
	INDONESIA						
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur	7,971	2017	2017	

	Hutan Hijau Mas	Berau, Kalimantan Timur	7,288	2017	2017
Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur	14,086	2017	2017
MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah	9,056	2018	2017
	Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	6,399	2018	2017
KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2018	2017
Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung	14,065	2012	Certified 1 January 2015
Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung	3,990	2013	Certified 2016
	Alam Karya Sejahtera	Belitung, Bangka Belitung	6,012	2013	Certified 2016
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified 2012
Nilo POM	Nilo	Pelalawan, Riau	12,860	2012	Certified 2014
	KKPA	Pelalawan, Riau		2017	
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012	Certified 2013
	KKPA	Kampar, Riau	1,294	2016	2019
Gohor Lama POM (PKS LNK Stabat)	Basilam	Langkat, Sumatera Utara	2,337	2014	2017
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	2017
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2014	2017
	Maryke	Langkat, Sumatera Utara	2,827	2014	2017
	Bekiun	Langkat, Sumatera Utara	2,979	2014	2017
	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014	2017
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	2017
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	2017
Padang Brahrang POM	No longer in operation				
PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoo	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
SABAH, MALAYSIA					
Mill 1		Tawau, Sabah		Outside Crop	
Mill 1	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong		2,864	2009	Certified 2009
	Pangeran		2,855	2009	Certified 2009
	Sri Kunak		2,770	2009	Certified

					2009
	Pang Burong		2,548	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlet		1,834	2009	Certified 2009
Lungmanis	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan		2,654	2010	Certified 2010
Rimmer	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
	Tungku		3,418	2010	Certified 2010
	Bukit Tabin		2,916	2010	Certified 2010
Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
	<p>The company's justifications for revision the TBP have been reported to CB and considered opinion on the matter and recommendation accepted. Time bound plan for uncertified unit:</p> <ol style="list-style-type: none"> 1. PT Hutan Hijau Mas (Berau POM), PT Mulia Agro Permai (MAP POM), PT Karya Makmur Abadi (KMA POM) changed the TBP to 2017 are awaiting of compensation mechanism approval from RSPO. 2. PT Langkat Nusantara Kepong (Tanjung Beringin Estate), still on progress for accomplish the requirement for 2.1 (land permit). 				
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	<p>Based on FFB received since RSPO certificate issued for Nilo POM 1, dated on 14 Mei 2014, known there were other sources of FFB that supply to Nilo POM 1 in 3 consecutive years. As an example of FFB from KKPA Safari Riau, KKPA Telayap, KKPA Sering dan KKPA Batang Nilo Kecil. Up to the time of surveillance 3 of these sources have not been shown the evidence meets the RSPO standard. It has been nonconformity NC No. 2017.3</p>				

1.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<ol style="list-style-type: none"> 1. Leonada (Lead Auditor witnessed). Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Development Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training General specialist and Health and safety management system (SMK3) Auditor. In this audit He was assessing on legal, SCCS, health and safety aspect. 2. Sandra Purba (Lead Auditor witnesser). Bachelor of Forestry, majored in Forest Product Technology. Have experience working in industrial forest company, coal mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Have certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), training of waste management, GHG vericator and validator training, conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. In this audit she's assessing land dispute and social aspect. 3. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System. She has been audit experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and GHG aspects. In this audit she's assessing environment aspect, waste management, HCV and GHG. 4. Benli Manurung (Auditor Trainee). Citizen of Indonesia, Bachelor of Agriculture, Soil Science Department. He has a working experience more than four years as a staff operational plantation in the private oil palm plantation company in Indonesia. Training have been followed are: ISPO, Lead auditor ISO 9001: 2015 and In House Training of Best Management Practice. Has been involved in several of similar scheme audit activities since 2016 covering of Best Management Practice and Worker Welfare. During the audit he verified worker welfare and Transparency. 5. Sahat Simarmata (Auditor). Bachelor of Science in Agriculture (Plant Protection) obtained from the Faculty of Agriculture, Universitas Sumatera Utara - Medan and Master of Science (Environmental Science and Management) obtained from University of the Philippines Los Banos (UPLB), Philippines. Worked at the Directorate General of Estate Crops, Ministry of Agriculture for 32 years and actively involved in undertaking Field Test of RSPO P&C Draft, actively involved in formulating and undertaking Field Test of ISPO P&C Draft, and socialized Regulation of Minister of Agriculture No.19/2011 on ISPO Guidance. Currently he is working on the independent Certification Body. The training attended, are Pelatihan Auditor ISPO, In house Training – Awareness RSPO Certification, and Training of Lead Auditor, ISO 9001 (In House Training). He has been conducting several audit related sustainable palm oil certification system as auditor trainee and auditor. In this audit he assessed the Best management Practices aspect.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	Number of auditors : 5 auditors

	<p>Number of days for ASA-3 at site : 5 days Number of working days for ASA-3 at site: 25 Working days</p>
2.2.2	Assessment Process
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation & Industry to the requirements of Indonesian National Interpretation - NITF – September 2016, RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill), RSPO Certification System 2007, Revised Oct 2011.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-4.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Location of Assessment
ASA-3	<p>Number of units in this certification activity is two estates, which supply the raw material (FFB) to Nilo 1 palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Nilo POM 1) and two estates (KNB 1 estate and KNB 2 estate).</p> <p>Nilo 1 POM</p> <ul style="list-style-type: none"> ● Water Treatment Plant. Field observations and interviews with WTP operators on management in WTP area. ● Chemical Warehouse. Field observation and interview with officers regarding management in chemical warehouse. ● Oil Warehouse. Observation and interview on environmental aspect, OHS implementation, management of oil and understanding of working procedure. ● Temporary storage Hazardous waste. Field observations and interviews with officer regarding hazardous waste management. ● Workshop. Observation on maintenance activities and interview with foreman related understanding of working procedure. ● WWTP. Field observations and interviews with WWTP operators regarding waste water management. ● Shelter Empty Fruit bunch. Field observation regarding solid waste management. ● Grading. Observation and interview related to grading SOP, OHS and labor aspect and its implementation ● Boiler and engine room. Interview and observe the implementation oh OHS and SOP including on aspects of noise and audiometry test ● Diesel fuel tank. Observation on hazardous material management, provided a secondary containment. ● Security pos. Observation worker walfare, emergency and supply chain procedures ● Weightbridge station. Observation and interview supply chain procedures ● Grading station. Observation FFB grading procedures, safety aspect and interview worker walfare ● Loading ramp station. Observation Processing procedure and safety aspect. ● Sterilizer station. Observation Processing procedure and safety aspect. ● Boiler station. Observation Processing procedure and safety aspect.

- **Engine room station.** Observation Processing procedure and safety aspect.

KNB 1

- **Chemical Warehouse.** Field observation and interview with officers regarding management in chemical warehouse.
- **Oil Warehouse.** Observation and interview on environmental aspect, OHS implementation, management of oil and understanding of working procedure.
- **Chemical Mixing area.** Observation and interview regarding management of hazardous waste (pesticide).
- **Washing area and PPE spray storage.** Observation and interview regarding of hazardous waste (pesticide) and PPE Spray storage.
- **Fire extinguishers.** Observation and interview regarding emergency response.
- **Solar Tank.** Observation regarding solar management.
- **Genset House.** Observation and interview with officer regarding activities and job desk.
- **Housing Division 1.** Observation and interview regarding management of domestic waste, quality and feasibility of employee welfare facilities and infrastructure such as water source, electricity, and others.
- **Reservoir Block 98 Division 1.** Field observation on water source management for water treatment and processing for housing.
- **Landfill Block 99 CI Division 2.** Observation regarding management of domestic waste.
- **Batang Nilo Kecil Riparian Block 7, Division 2, KNB 1.** Observation to riparian of Batang Nilo Kecil river
- **Division 2, KNB 1.** Observation on land dispute (been resolved through mediation and exchange area).
- **Manuring Division 1 Block 2.** Observation and interview related of fertilization activity.
- **Spraying Division 1 Block 2.** Observation of safety aspect and spraying procedure.
- **Harvesting Division 2 Block 6.** Observation of procedures implementation, safety aspect, road conditions and employment interviews.
- **Monitoring water level in Peat Land Division 2 Block 24.** Observation related management of peat land.
- **Monitoring subsidency in Peat Land Division 2 Block 35.** Observation related management of peat land.
- **Wavy Area (Terrace).** Observation related management of wavy area and potential of erosion.
- **EFB Application.** Observation related application EFB.
- **HGU Poles No. 160, 161, 162 & 163 block 7.** Observation of border area

KNB 2

- **Land Application Block 43 Division 3.** Field observations and interviews with officer regarding waste water management.
- **Reservoir Block 38-39 Division 3.** Field observation on water source management for water treatment and processing for housing.
- **Monitor well for community Block 2 Division 3.** Field observations and interviews with officers on monitoring well management.
- **Oil Warehouse.** Observation and interview on environmental aspect, OHS implementation, management of oil and understanding of working procedure.
- **Chemical Warehouse.** Field observation and interview with officers regarding management in chemical warehouse.
- **Chemical Mixing area.** Observation and interview regarding management of hazardous waste (pesticide).
- **Washing area and PPE spray storage.** Observation and interview regarding of hazardous waste (pesticide) and PPE Spray storage.
- **Fire extinguishers.** Observation and interview regarding emergency response.
- **Fertilizer Warehouse.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.
- **Workshop.** Observation on maintenance activities and interview with foreman related understanding of working procedure.

- **Temporary storage Hazardous waste.** Field observations and interviews with officer regarding hazardous waste management.
- **Clinik Nurul Medika.** Observation and interview with doctor regarding procedure for medical, management of medical waste, and others.
- **Housing Division 3.** Observation and interview regarding management of domestic waste, quality and feasibility of employee welfare facilities and infrastructure such as water source, electricity, and others.
- **Daycare Division 3.** Observation and interview regarding condition of daycare and worker welfare of Employee or officer.
- **Landfill Blok 50.** Observation regarding management of domestic waste.
- **Harvesting Division 4, Block 7 & 8.** Observation of procedures implementation, safety aspect, road conditions and employment interviews.
- **Replanting Division 3 PR 15.** Observation of replanting area.
- **Manuring Division 3 Block 4 (99C).** Observation and interview related of fertilization activity.
- **Spraying Division 3 Block 5 & 6.** Observation of safety aspect and spraying procedure.
- **Owl box Division 3B Block 4.** Observation of IPM implementations and road conditions.
- **HGU Poles No. 165, 166, 167 & 168 block 12.** Observation of border area

Surrounding Village

- **Batang Nilo Kecil Village.** Interviews regarding communication, transparency, complaint/grievance mechanism and procedure, contract implementation.
- **Telayap Village.** Interviews regarding communication, transparency, complaint/grievance mechanism and procedure, contract implementation.
- **Sungai Buluh Village.** Interviews regarding communication, transparency, complaint/grievance mechanism and procedure, contract implementation.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process such as: Consultation of stakeholders for <i>PT Adei Plantation & Industry (Nilo POM 1)</i> was held by:</p> <ul style="list-style-type: none"> • Public consultation with NGO's by email on March 23rd 2017. • Public Announcement on the website of Mutuagung Lestari on March 8th, 2017. • Public consultation meeting with local stakeholders conducted by visits to villages and interviews with local peoples on 30 March 2017. • Interview with internal stakeholders (worker union and gender committee) on April 1st, 2017. • Interview with government Pelalawan District on March 29th, 2017. <p>Numbers of input from stakeholders were clarified by <i>PT Adei Plantation & Industry (Nilo POM 1)</i>.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit ASA-4 will be determined one year after this ASA-3 (<i>March 2018</i>)

2.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Nilo POM 1 – PT. Adei Plantation & Industry, Kuala Lumpur Kepong bhd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were two (2) Nonconformities were assigned against Major Compliance Indicators, one (1) Nonconformities were assigned against Minor Compliance Indicators and eight (8) 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. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective action(s) taken that consist of two (2) Major non-conformity(s) and one (1) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Nilo POM 1 – PT Adei Plantation & Industry, Kuala Lumpur Kepong bhd complied with the requirements of Indonesian National Interpretation - NITF – September 2016; RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill) and RSPO Certification System 2007, Revised Oct 2011.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>Certificate holder has provided a list of information that is accessible to the relevant public that has been updated on April 14, 2017. As for the types of information that can be accessed by the public at PT Adei P & I are: Internal audit of RSPO, External audit of RSPO, Report of water sampling analysis, cultivation Rights, Permits, Minutes of gender committee meetings, Investigate work accident, OHS programs and policies, SIA Report, Legal and regulatory documents etc.</p> <p>Based on the results of consultation with the Village Head of Telayap, Batang Nilo Kecil and Sungai Buluh carried out on March 30, 2017 it is known that they know the type of information that can be accessed.</p>	
1.1.2	<p>The report on the request for information from the parties concerned has been archived and stored. The information can be accessed through the logbook in the office site. For information related to the reporting of related agencies are in the book of incoming and outgoing mail and stored properly.</p> <p>The certificate holder has responded to requests for information that coming into PT Adei P & I, for example, request information from the Central Bureau of Statistics of Pelalawan Regency with the letter number 674/14.041.04/2016 on April 25, 2016 about implementation of registration activities of the economic census 2016 that to be held on 1 to 31 May 2016. The Company has responded by providing data which is required on May 12, 2016.</p>	

<p>The management has do the mandatory reporting to the relevant agencies, for example: WLTk Reports (Employment Official Report), Environmental Management and Monitoring Report and Reporting Guiding Committee Of Occupational Safety & Health.</p>	
<p>Status: Comply</p>	
<p>1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>	
<p>1.2.1 Certificate holder has provided a list of information that is accessible to the relevant public that has been updated on April 14, 2017. As for the types of information that can be accessed by the public at PT Adei P & I are: Internal audit of RSPO, External audit of RSPO, Report of water sampling analysis, cultivation Rights, Permits, Minutes of gender committee meetings, Investigate work accident, OHS programs and policies, SIA Report, Legal and regulatory documents etc.</p> <p>All these documents are stored well in the manager room, SPO manager room, head of administration room and public relations room, and there is a PIC who responsible for updating the data / documents that need to be updated as well in the list of documents that have expired.</p>	
<p>Status: Comply</p>	
<p>1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>	
<p>1.3.1 Certificate holder (Kualalumpur Kepong Group) has a written policy to respect human rights. KLK supports the Universal Declaration of Human Rights by the United Nations / PBB. The policy is approved by the Chief Executive Officer / CEO on December 1, 2014. The policy is communicated to employees, installed in every office.</p> <p>The commitment to ethical behavior in all the operation and the transaction set forth in the Code of Conduct for Employees (4.6) dated October 1, 2014. Employees are expected to understand and comply with laws, rules and regulations of the office and / or their work, including but not limited to enactment laws relating to anti-money laundering, anti-terrorism funding, anti-corruption, protection of personal data and competition. The Company reserves the right to report any action or activity that putatively criminal to the police forces or other relevant authorities.</p> <p>Code of integrity point 4.11 Employees should treat fellow employees with fair and courteous regardless of race, religion, gender, nationality, age, disability and discrimination.</p> <p>Verification in the field, the policy can be accessed by employees through information that is attached in the estate and mill Office. Interviews with workers known that workers know about their company policy to respect human rights and commitment to ethical behavior in all working operations. In addition, certificate holder showed evidence of KLK policy socialization in Nilo POM 1 on February 13, 2017 followed by 34 participants.</p>	
<p>Status: Comply</p>	
<p>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</p>	
<p>2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</p>	
<p>2.1.1 Certificate holder has a list of the latest laws and regulations. The lists and copies of these regulations are available in each estates and factory unit. Some examples of regulations compliance that have been done such as land permits and hazardous waste storage permits. Based on the results of field visits in Nilo POM 1 there is a boiler with a capacity of 35 tons/hour but there is only 1 operator (Class 1). From interviews with harvester and document verification, it is also known that harvester have not followed the periodic health checks. This became Non Conformity NC 2017.01</p>	
<p>2.1.2, 2.1.3 & 2.1.4</p>	

<p>There is a system to explain the person who is responsible for managing the regulatory compliance that sustainability department. The mechanism for checking regulatory compliance is done on a regular basis for each year such as 17 February 2017. Searching for any regulatory changes is done by Public Relations Manager, general manager and director through regulatory information sources in agencies and mass media.</p>	
2.1.1	Status: Non Compliance with Major category
<p>2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>	
<p>2.2.1 Certificate holder has had documents showing the land tenure and cultivation of 12,860 Ha according to SK HGU No. 23/HGU/1993. The company has also a location permit in Decree No. Kpts.45 / I.L-I / 1991 of the Governor of Riau Province on the Permit Area and Acquisition Rights of the land area of approximately 12,750 hectares, Release of Forest area through Decree of Forestry Minister No. 846 / Kpts-III / 1991 on Release of Some groups Forest S. Nilo - S. Telayap located in the Riau Province, area of 15,812.5 hectares.</p>	
<p>2.2.2 According to an image particular situation no 17/1992 which is an annex of the HGU Decree owned by the company covering an area of 12,860 ha, it is known that there are 167 BPN poles which marked the boundary demarcation of the company's area. The map of poles positions available for each unit and The company has SOP in monitoring BPN poles and demarcation No. 46 issued on 1 July 2014. The SOP mentioned that the monitoring carried out at least 1 time in 1 year and The company can show the inspection report of BPN Poles.</p> <p>Based on the results of field visits in Block 7 and block 12, there are known that pole positions is not match with the HGU map. On 28 March 2013 the company has undertaken a demarcation of the governance boundary based on the HGU document owned, then on 23 April 2014 there is a map for all the HGU stakes installed in the field. Based on document verification, it is known that there are several exchanges of HGU land with the community land so that in this case there is a change of corporate governance borders. In response to this case, the company has sent a letter to national land agency of Pelalawan for re-measurement as shown in letter no. AD-KN/LP/2015/3.05 dated 20 March 2015 and letter no. AD-KN/LP/2017/3/01 dated 21 March 2017. This become OFI</p>	
<p>2.2.3 & 2.2.4 The entire land disputes has been resolved in 2016, there is no land acquisition process for the area in dispute at the time, but through the mediation and settlement by consensus. Until ASA-3, there are no conflicts related to the area agreed in Division 2 KNB1 on April 8, 2016. Both parties had agreed not interfere with each other, it is based on interviews with Batang Nilo Kecil communities.</p> <p>Also mentioned that settlement of land issues conducted in accordance with the SOP company No. 26 on the stages of the land border disputes settlement, squatter dispute and social issues.</p>	
<p>2.2.5 & 2.2.6 Sighted the map of the exchanged area (area of company exchanged with area of Batang Nilo Kecil community) scale of 1: 90000, covering an area of approximately 2 hectares located in division 2 KNB1. Mapping was carried out in participatory way involved the affected parties and are arranged by mutual agreement.</p> <p>The CH does not use violence to maintain peace and order in its operations. In SOP No. 26 explained that to resolve any conflicts will be made by consensus, mediation and legal means.</p>	
2.2.2	Status: OFI
<p>2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p>	
<p>2.3.1, 2.3.2, 2.3.3, 2.3.4 The compensation process has been completed by the company in 2013, the last of compensation made in the Palas village, Kemang Village and Batang Nilo Kecil village. The evidence of such compensation has been demonstrated and verified during the ST2 up to ASA-2. Based on interviews with villagers in Batang Nilo Kecil and Telayap village mentioned that the</p>	

compensation process performed by the company has been in accordance with the agreements and company SOPs.

The SOP of land acquisition palm oil No.: 27, clause 7 states that prior to the development of palm oil (after the location permit issued), first socialized to the communities accompanied by the local government, collecting data of stakeholders who owns the land, showed evidence of land ownership by the stakeholders, negotiations with landowners through FPIC method (compensation calculated was land and crops), payment of compensation is based on the agreed price.

2.3.3.

The entire land disputes has been resolved in 2016, there is no land acquisition process for the area in dispute at the time, but through the mediation and settlement by consensus. Until ASA-3, there are no conflicts related to the area agreed in Division 2 KNB1 on April 8, 2016. Both parties had agreed not interfere with each other, it is based on interviews with Batang Nilo Kecil communities.

Also mentioned that settlement of land issues conducted in accordance with the SOP company No. 26 on the stages of the land border disputes settlement, squatter dispute and social issues.

Status: Comply

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

3.1

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

3.1.1 Major & 3.1.2 Minor

Certificate holder has a business plan for five years covering replanting, production, cost, price forecasts and financial indicators. Currently there is no plans to expand the new areas, but doing replanting as known from the results of field visits. In the replanting area, there is some peatland management such as water level monitoring, CaCo3 application, LCC planting etc. In the five years plan provided maps showing the year of planting and areas of HCV including strategies in the management of environmental and social factors which are evaluated of each year. Every achievement per year is documented in an annual report and evaluated to define improvement plans will be taken.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The company has had the SOP for Estate operational activities, comprising nursery until FFB transportation and the SOP for Mill starting from FFB acceptance in Weighing Bridge Station until CPO Despatch and Supply Chain.

The company also has had 50 titles of the SOP on Sustainability (The third Revision. dated 1st February 2016). The SOP related to Estate, for instance the SOP 4 – Replanting while the SOP related to Mill, such as the SOP 39 – FFB Acetance at the Mill.

Based on the result of field observation and interview with field workers in Estate and Mill, it is known that the SOPs Have been well implemented. Example:

- Harvesting in Block 6, Division 1, KNB-1 has been done following the procedure. The workers knew the steps to harvesting activity, such as fruit rapeness criteria (10 loose fruits), harves rotation (7/8 day), clean loose fruit collection, FFB arrangement at Harvest Site (5 rows). The workers were using Personal Protective Equipment (PPE) appropriate to risk identification.
- Manuring in Block 2, Division 1, KNB-1 using Kieserite has been applied following procedure. The workers knew the steps to manuring, such as rate of fertilizer (1.5 kg/plant), the way to apply fertilizer (preached evenly around the edge of plant circle 1 m distance from trunk). The workers were using PPE that appropriate to risk identified appropriate to risk identification.
- FFB grading at Loading Ramp Station of Nilo POM-1 has been conducted following the SOP. The graders knew how to take truck sample and 100 bunches for sample and recorded grading results based on the criteria (Rape Bunch, Black Bunch, Unripe Bunch, Rot Bunch, Empty Bunch , Long Stalk Bunch, and Pest Damaged Bunch.

4.1.2

The company has monitored the consistency of SOP implementation by conducting internal audit routinely by the Mandau Central Laboratory. Example:

The internal audit result done from 4 – 5 August 2016 that related to Estate activities:

- Harvesting in KNB-1 (Division 1 and Division 2) has the average point 91.4%, slightly reduced compared to the first round (94.7 %), however, still fulfill In-House Standard for competition 90 % minimum.
- Harvesting in KNB-2 (Division 3 and Division 4) has the average point 93.5%, fulfilled In-House Standard for competition 90% minimum.

The audit internal result done on 31st January 2017 thru 2nd February 2017 that related to Mill activities:

Total point of processing was 44.90 %. The average point obtained during 3 rotations was 46.9 %, therefore fulfilled competition target (minimum 90 %).

The company also has conducted the management review, e.g on 1st December 2016 at KNB-1 that discussed about:

- Estate management, for instance harvest during flood in the whole Nilo Estate was agreed, that wage paid to harvesters (for flooded harvest area) was Rp.100/kg and the supporting map of the flooded harvest area has to be prepared for transparent payment.
- POM, for instance, that related FFA parameter that increased due to high percentage of restant bunches from Plasma KKPA caused by rainy season, the restant bunches of 10 % - 15 % were still accepted and starting from 1st to 31st December 2016 all Divisions harvested 1 loose fruit criteria. It has to be noted in the Bunch Delivery Order as "Flood Harvest Area".

4.1.3 The company has had the record of Estate operational activities result in the Estate Progress Report. The result of Mill operational activities was recorded in the POM Progress Report. The report was updated monthly. The company has had the Sustainability Internal Audit – Document review was conducted from 16th – 18th February 2017 and has been evaluated on 13rd – 16th March 2017. For example:

- KNB-1 Division 1 did not have the report of the IPM Training. Follow up: The IPM Training has been conducted on October 2016.
- KNB-2 Division 4 did not have planting program of the leguminous cover crop and actual manuring. Follow up: The planting of leguminous cover crop has been conducting up until February 2017 in PR 17A and manuring until 17th February 2017 using NK in PM001D2a.
- The meeting conclusion of P2K3 at Nilo POM-1 for November 2016 – January . 2017 period that sent to District Office of Manpower and Transmigration, Pelalawan District has not yet available. Follow up: The meeting conclusion of P2K3 for November 2016 – January 2017 period has been available.

Based on the Working Program on Repair and change of Machine Spareparts of the Nilo POM-1 dated 29th March 2017 there were repairment and working hours that has been done. For example, changing of the chain of Horizontal Empty Bunch Conveyor (Tresher Station), from 07:00 AM thru 06:00 PM.

4.1.4

The company has had the SOP 45 – The Procedure of FFB Acceptance from Outsider Supplier that explained FFB purchasing mechanism. Every FFB Supplier FFB has to fulfilled the requirements, they were, has to have it's own oil palm estate, the supplied FFBs do not come from estate that locates in forestry area, law firm company, has the Legal Act of Company Establishment, has the Company Permanent Permit, and Company Site Legal Permit, has the Company Registration License, and has the Number of Tax Payer (NPWP).

The company has had the list of FFB Supplier to Nilo POM-1 from outsider, they were CV. CDP Mandiri, CV. Limbersa Plasma, CV. Sejahtera Jaya, and CV. BCV. Bina Mandiri Jaya. The company recorded all FFBs that came from the third party in the FFB Acceptance. For example, the FFB acceptance at Nilo POM-1:

- In 2015/2016, that came from Plasma KKPA amounted to 64,249,580 MT and from outsider amounted to 28,819,660 MT.
- In 2016/2017 (up to January 2017) that came from the outsider amounted to 3,955,670 MT.

It was available the Letter of FFBs Purchasing from the Third Party. For instance, SPJB TBS No. ADEI-017/TBS/SR/IV/16, dated 1st March 2016 between PT. Adei Plantation & Industry and PT. Safari Riau – Pekanbaru for daily FFB purchase amounted to ± 100 MT starting from 1st March 2016, the price per kg is based on the agreed upon formula.

Status: Comply

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

4.2.1

The company has had 7 titles of the SOP/procedure on the management or maintaining soil fertility. For instance, SOP 12 – Management on the Soil Fertility for Optimum Productivity (dated 1st July 2014).

The company has implemented the SOP. For example, planting of the leguminous cover crop on the replanting area:

- KNB-1 Division 2: The target in 2015/2016 in PR16A (Block 35 to 39, and 46) was 148.8 Ha and the actual hactarage already 100%. In PR16B (Block 21 to 24) targeted of 131 Ha, the actual hectarage in 2015/2016 was 31.2 Ha and in 2016/2017 was 99.8 Ha.
- KNB-2 Division 3: The target in 2016/2017 in PR00A2 (Block 22 to 25) was 121.8 Ha. The actual up to February 2017 was 100 Ha (82%).
- KNB-2 Division 4: The target in 2015/2016 di P R15A (Block 1 to 8) was 124 Ha. The actual already 100%. The target in 2016/2017 in PR16A (Block 9 to Block 20) was 159 Ha. The actual already 100%, and the traget in PR 16B (Block 21 to Block 28) was 127.4 Ha, the actual was 100%.

The result of field observation and interview with workers in KNB-2, Division 3, Block 23 showed, that in the area has been conducted replanting. The palm tree cutting down was done in October 2016. The cover crop planted was the mixed of *Pueraria javanica* (Pj) and *Calopogonium mucunoides* (Cm), the coverage already around 40%.

4.2.2

The manuring rate for 2015-2016 and 2016/2017 period in respective estate has been comply with manuring recommendation prepared by PT. Aplied Agricultural Research Indonesia. The company has documented the actual use of fertilizer pupuk per ton FFB. For example, the use of fertilizer in 2015/2016:

- KNB-1 Division 2, such as fertilizer used was RP amounted to 161,900 kg, FFB production amounted to 17,260,520 kg per year, and ratio of kg fertilizer per ton FFB was 0.94.
- KNB-2 Division 4, such as fertilizer used was AS amounted to 9,995 kg, FFB production amounted to 8,787,950 kg per tear, ratio of of kg fertilizer per ton FFB 1.14.

The company has recorded fertilizer used per ton FFB in “Manuring Costing Book”. For example:

- KNB-1 Division 1: On February 2017 manuring in Block 99A2 was 65 Ha applying RP amounted to 20,000 kg, the content of P₂O₅ is 34% (6,800 kg), content of P₂O₅ per Ha (104.61 kg), FFB production (136,950 kg), content of P₂O₅ per ton FFB (0.000763895 kg).
- KNB-2 Division 4: On February 2017 manuring in Block 01D2 was 41 Ha applying P₂O₅ amounted to 3,250 kg, content of P₂O₅ was 34% (1,105 kg), content of P₂O₅ per Ha (26.91 kg), FFB production (642,000 kg), content of P₂O₅ per ton FFB (0.000041 kg).

Based on the result of field observation and interview with workers in di KNB-1, Division 1, Block 2 it was known, that the second rotation of Kieserite fertilizer application has been done amounted to 250 bags (12.50 tonnes) the rate was 1.5 kg/plant. It has been comply with manuring recommendation given by Agronomist from PT. AAR Indonesia.

4.2.3

The company has had SOP 12 – Management on Soil that Optimal for Productivity. It is explained in the SOP that soil and leaf analysis has been conducted annually and rate of fertilizer has to follow the recommendation of Agronomist. The company under collaboration with PT. Applied Agricultural Resources Indonesia has conducted soil and leaf analysis as basis in formulating manuring recommendation. The last analysis was done in 2016.

The result of soil sample analysis with parameter measured, among others, soil texture, acidity (pH), content of C, N, P, K, Mg, Ca, Na, BS, CEC, Al, and H are as follows:

- KNB-1, Divisin 1: Example, in Block 1 PM 1998A2, horizon/depth (0-15 cm), pH (4.24), C (0.83%), N (0.08%), P total (496 ppm), Exchange Cation - K (0.8 m.e. %), Ca (0.71 m.e.%), Mg (0.21 m.e.%).
- KNB-2, Division 3: Example, in Block 3 PM 199A3b, horizon/depth (0-15 cm), pH (4.38), C (0.79%), N (0.08%), P total (46 ppm), Exchange Cation - K (0.4 m.e. %), Ca (0.80 m.e.%), Mg (0.49 m.e.%).

The result of leaf analysis are as follows

- KNB-1, Division 1: Example, in Block 1 PM2000B: content of Ash (7.02%), N (2.45%), P (0.138%), K (1.28%), Ca (0.65%), Mg (0.16%), and Bo (13.80 ppm).
- KNB-2, Division 3: Example, in Block 3 PM1999A1a: content of Ash (10.87%), N (2.69%), P (0.148%), K (0.84%), Ca (0.62%), and Mg (0.33%).

Aside from analyzing soil and leaf, it was also conducted visual monitoring of FFB potential, symptom of nutrient deficiency, wide of canopy, and potency of pest and disease infestation..

4.2.4

The company has had strategy of nutrient recycle in estate and it has been implemented. For instance:

1. Application of the Empty Fruit Bunches (EFB)

- KNB-1 Division 1: For example, in 2016/2017 the target was 540 Ha in hectare. Up to February 2017 the actual was 288.64 Ha (5,463.67 ton).
- KNB-2 Division 3: For example, in 2016/2017 the target was 641.3 Ha in hectare. Up to February 2017 the actual was 354.95 Ha (7,187.74 ton).

The result of field observation and interview with workers in KNB-1, Division 1, Block 3 it was known, that in December 2016 has been applied EFB amounted to 20,250 kg scattered in 60 points in interrow.

2. Pruning

- KNB-1, Division 2: For example, the target in 2016/2017 was 1,004 Ha in hectare. The actual up to January 2017 was the 1st rotation 1,004 Ha and 2nd rotation 248 Ha.
- KNB-2, Division 4: For example, the target in 2015/2016 was 150.5 Ha in hectare and the actual was 4,644 Ha (100 %).

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company has not had yet the map that figures specific fragile land in the cultivated area. Nevertheless, the company has had the Map of Land of KNB and KNT scale 1: 100,000 prepared by PT. AAR Indonesia. Soil condition in KNB-1 Division 1 and KNB-2 Division 3 are sandy clay, topography rolling (slope 3% -16%) with limiting factor the low soil fertility level. In KNB-2 Division 3 there is peat soil 1,060 ha in hectare, < 2 M depth. Based on the map the peat soil is categorized as marginal land with limiting factor, such as low level soil fertility, peat depth, and drainage.

The result of field observation in KNB-1 Division 1 Block 3 showed, that land topography was rolling to hilly and without contour. The company has conducted land management to prevent land degradation or soil erosion by conducting:

- EFB application for 3 times (the last application was done on December 2016) conducted by contractor. The EFB was brought from Nilo POM-1, scattered 1 layer in interrow, amounted to 20.25 ton/Ha.
- Construction of individual terrace.
- Conservation of fern (*Nephrolepis biserrata*) in lower edge of the interrow.
- Arrangement of the pruned fronds horizontally in lower edge of contour.

4.3.2

The company has had SOP 13 – Mitigation of Erosion. The SOP explained about the way to mitigate erosion, as follows:

- Replanting, for instance, planting the leguminous cover crop before planting oil palm, arranging the cut down stem of oil palm following contour in steep area, building conservation terrace, planting no oil palm in sloping area of 23 degree (40%).
- In Mature Areal, for instance, planting fern (*Nephrolepis* sp.) in interrow, arranging fronds, making silt pit in sloping or steep area without contour, arranging fronds along contour, EFB application in the area susceptible to land slide, and avoiding blanket herbicide application.

Based on the Soil Map of PT Ade Plantation & Industry scale 1:80.000 prepared by PT. AAR Indonesia, it is known the slope classification, they are flat (0-4%) 10,200 Ha (74%), undulating (4 - 12%) 3,414 Ha (25%), and rolling (12 – 23%) seluas 151 Ha (1%).

The company has performed management of sloping area that low content of organic matter, for instance by applying EFB. For example, in KNB-2 Division 3: Target in 2016/2017 was 641.3 Ha and the actual (up to February 2017) was 354.95 Ha amounted to 7,187.74 ton EFB.

Based on field observation in KNB-1 Division 1, it is known that the company has performed conservation of sloping/hilly land. For example, in Block 3 PM92: Conservation of fern (*Nephrolepis biserrata*) in interrow and in the edge of contour, building of individual terrace, arranging of fronds horizontally in the edge of contour, and EFB application.

4.3.3

The company has had program of estate road maintenance and the budget. The road maintenance was conducted using heavy equipment and the progress was recorded in The Road Maintenance Report In 2016/2017. Example:

- KNB-1 Division 1: Target of estate road maintenance in PM 92A1, PM 98A1 PM 98A2, PM 98D2, PM 98D1, PM 99 A1, PM 99A2, PM 99A3, PM 00A1 PM 00A2, PM 00A3, PM 00A4, PM 03A, for instance in 2016/2017 was 207,228 m. The actual as of February 2017 was 127,387 m.
- KNB-2 Division 4: Target of estate road maintenance was 546,000 m. The actual as of February 2017 has been 218,700 m, that was in PM00E1, PM00E2, PM00F3, PM01D2, PM01D1, PM02B, and PM03B.

4.3.4

Based on the Soil Map of Nilo Estate of PT Adei Plantation & Industry scala 1 : 60.000 prepared by PT. AAR Indonesia, it was known, that soil type in the cultivated area are Peat Soil 8,315 Ha (66 %), Alluvium Soil 179 ha (1 %), and Sedimentary Soil 4,063 ha (32 %).

The company has had SOP No.32 – Planting of Oil Palm in Peat Land that explained the management of peat soil, they are, making drainage and water management to adjust and to maintain water level in estate area keep the water level in the level of 60 – 80 cm.

The company has installed equipment to measure the subsidence level of peat land (subsidence) and water level in estate (Piezometer) 31 units (and will be installed 112 unit additional). Monitoring was done every month on the 15th date. For example, monitoring result of subsidence level of peat land:

- KNB-1, Division 2 (PM 99D4, Block 35, Subsidence Stake No. 7): The average subsidence level of peat land in 2016 was 12.1 mm. The average water level (Piezometer) on February 2017 was 17.27 cm.
- KNB-2, Division 4 (PM 00E1, Subsidence Stake No. 3): The average subsidence level of peat land in 2016 was 11.75 mm. The average water level (Piezometer) on February 2017 was 14.04 cm.

Based on the management explanation, the CH did not have the standard level of subsidence. However, In order to know peat land subsidence level, the CH has been installing several subsidence stakes scattered within the estate and be monitored every middle of month. The CH also has been conducting water management in peat land by putting up some water gates.

The result of field observation, for instance in KNB-1, Division 2, Block 27 (the replanting area in 2016) showed, that water level on 30 March 2017 was 57 cm below land surface, which was comply with CH standard (50 – 70 cm below soil surface).

4.3.5

Assessment of drainability level of peat has been conducted on February 2015 (before replanting) by PT. Applied Agricultural Resources Indonesia. Based on the report of Drainability Assesment Report of Replanting Area on Soils Map in Nilo Estate of PT Adei Plantation & Industry, Riau it was it was informed thaty currently peat level and prediction in the future (after 25 years subsidence) was averagely high. It was recommended on flood season to maintain water level in peat land on 60 cm below land soil surface, to maintain estate boundary in northern, and installing automatic water gate in all outlets.

The company has installed equipment to measure the level of peat land subsidence and water level in estate, the company (Nilo Complex) has installed 31 units subsidence and piezometer 31 unit and is planned to add 112 more units. Monitoring was done every month on the 15th date. The result of field observation, for instance in KNB-1, Division 2, Block 27 (replanting area of 2016) showed that water level on 30th March 2017 was 57 cm below soil surface. The subsidence level of peat land in Division 2, Block 35 since 2013 has been 17 cm.

4.3.6

The company has had the Map of KNB and KNT scala 1:100.000 prepared by PT. AAR Indonesia. Based on that map, soil condition in KNB-1 Division 1 and KNB-2 Division 3 are sandy clay, topography rolling (slope 3% -16%) with limiting factor the low soil fertility level. In KNB-2 Division 3 there is peat soil 1.060 ha in hectarage, < 2 M depth. Based on the map the peat soil is categorized as marginal land with limiting factor, such as low level soil fertility, peat depth, and drainage.

The company has had SOP 13 - Mitigation of Erosion. The SOP explained about the way to mitigate erosion, as follows:

- Replanting, for instance, planting the leguminous cover crop before planting oil palm, arranging the cut down stem of oil palm following contour in steep area, building conservation terrace, planting no oil palm in sloping area of 23 degree (40%).
- In Mature Areal, for instance, planting fern (*Nephrolepis* sp.) in interrow, arranging fronds, making silt pit in sloping or steep area without contour, arranging fronds along contour, EFB application in the area susceptible to land slide, and avoiding blanket herbicide application.

The company has conducted the management of fragile soil (low content of organic matter), for instance application of the Empty Fruit Bunches (EFB):

- KNB-1 Division 1: For example, in 2016/2017 the target was 540 Ha in hectare. Up to February 2017 the actual was 288.64 Ha (5,463.67 ton).
- KNB-2 Division 3: For example, in 2016/2017 the target was 641.3 Ha in hectare. Up to February 2017 the actual was 354.95 Ha (7,187.74 ton).

The result of field observation and interview with workers in KNB-1, Division 1, Block 3 it was known, that in December 2016 has been applied EFB amounted to 20,250 kg scattered in 60 points in interrow.

Status: Comply

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

4.4.1.
Certificate holder has a water management plan for 2017 and the realization of water management as stated in the Environment Management Plan / Environment Monitoring Plan Semester II of 2016 Such as river water quality testing every 6 months, making of buffer zone in water catchment area, groundwater analysis, high maintenance Water level on peat land and others.

4.4.2.
Field observation in Telayap riparian area, Block 7, Division 2 KNB 1 riparian areas have been managed, such as, there is a spray limit, there is no fertilizing and spraying activities, there are woody plants in riparian area and others.

4.4.3.
Certificate holder has showed the results of monthly liquid waste testing conducted by the Dinas Bina Marga Technical Implementation Unit of Material Testing of Riau Province (Accredited by KAN LP-750-IDN). Based on the test results, the quality standard parameters does not exceed the quality standards assigned by the Governor Regulation Number 35 of 2007 and Decision of the environment minister number 28 of 2003.

Certificate holder has showed a permit for utilization of palm oil industry waste on PT Adei Plantation & Industry (Nilo POM 1) with decision number SK Kpts.503/BPMP2T-PLY/19/2016 From Head of investment Board and integrated Licensing Services Valid for 5 years since April 20th, 2016 until 2021 (5 years). Field visits in the Wastewater treatment plant and Land application, There is not waste water runoff, Recording of Waste water debit and PH were conducted daily by the WWTP Operator and Land Application Officer then submitted to the laboratory for recapitulated.

4.4.4.
Certificate holder has showed a SOP water use of process approved by Mill Manager dated on May 2rd, 2016. The average water use of FFB in 2016-2017 amounted to 3.45 m³ / ton FFB, does not exceed the company's budget is 4 m³ / ton FFB.

Status: Comply

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

4.5.1
The company has had SOP 7 – Integrated Pest Management (IPM). The IPM program for 2016/2017 has been available comprising of census and control of pest and disease (cultural practices, biological, and chemical control).. Census of netting caterpillar is done every 6 months, termite 3 times a year, rhinoceros beetle every 6 bulan, and rat 2 times a year. Chemical control will be done when level of infestation has been greater than threshold level to maintain the ecosystem equilibrium. The

IPM program has been conducted. For example:

1. KNB-1 (Division 2)

- Census of netting caterpillar on March 2017 in KNB-1 Division 2, for instance in PM98B1 (Block 1 to 5) showed that 19 trees (3.1%) of 600 trees observed were infested, its not required the control measures due to economic threshold is 5%.
- Control of netting caterpillar was done by conserving the local species of host plant of the natural enemies, such as *Turnera subulata*. For instance, in Division 2 in 2015/2016 was planned to conserve 260 m in length, the actual was 250m and in 2016/2017 was planned to conserve 200 m length (on going).

2. KNB 2 (Division 4)

- The result of census of rhinoceros beetle (*Oryctes* sp.) conducted in 2016/2017 in area of 3,029 Ha showed, 811 trees (0.01%) of 77,775 sample trees observed were infested.
- From November 2016 thru February 2017 has been implemented the manual control (hand picking) of rhinocoris beetle (*Oryctes* sp), in Block 22 and 23 (64.6 Ha) collected 1,251,491 larvae. The larvae then be killed and be buried.

4.5.2

The company has been able to show the record of training attended by workers who involved in IPM activities such as:

- Training on control and monitoring of pest and disease of oil palmon 3rd August 2015
- Training on control of pest and disease using GPS, on 26th August 2015
- Training on control of pest and disease in Division 5 KNT-1 on 25th November 2015
- IPM Training, on 10th October 2016 in PR.15A, Divison 4, KNB-2 attended by 8 participants (spraying workers)
- Training on control of pest and disease on 31st October 2016 in Division 3, KNB-2 attended by 6 participants (workers). The
- Training topic was SOP 7 – Integrated Pest Management (IPM).

Based on the result of interview with field worker in KNB who handles monitoring of owl (*Tyto alba*) in controlling rat claimed that he has attended the training on IPM held on January 2017 orgaznized by PT. AAR Indonesia.

Status: Comply

4.6

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

4.6.1

The company has been able to show the justification of pesticide use. The list of pesticide used comprising trade mark, active ingredient, registration number, legal permit, LD₅₀, and pest and disease target. The list of pesticide used in 2017 in KNB-1 and KNB-2 was available. For instance, trade mark (Basta), active ingredient (Ammonium glufosinat 150 g/l), registration number (RI.0103019921113), LD₅₀ (accut oral: 4,853.6 mg/ka, accut dermal: <5,000 mg/kg), legal permit (31st December 2020), use/justification (systemic herbicide to control weed).

Based on the result of document verification and observation of agrochemical store, it was known, that all pesticides used by the company have been permitted by the government and registered in the Book of Pesticide for Agriculture and Forestry 2016 issued by the Indonesian Pesticide Commission, Ministry of Agriculture, the Republic of Indonesia.

The company also has implemented SOP related to use of selective product to control spesific target. For example:

- The result of field observation and interview with workers in KNB-1, Division 1, Block 2 showed, that to control weed in plant circle and path was used herbicide Elang (Isopropil amina glifosat), rate 1,200 ml/10 lt water using Micron Herbi.
- The result of field observation and interview with workers in KNB-2, Division 3, Block 5 and Block 6 showed, that the germinated oil palm seed (*kentosan*) in circle and path was controlled selektive spraying using Elang (Isopropil amina glifosat) herbicide, rate 500 ml/20 lt water mixed with 25 gr Metaprima (Metyl metsulfuron). The herbicide was applied using knapsack sprayer.

4.6.2

The company has had program of pesticide use, for instance applying herbicide 3 times per year to control weed in circle and path and selective spraying. The use of pesticide was recorded in “Costing Book” that contained the information comprising of the date of application, spraying activity, location of spraying, hectarage sprayed, pesticide used (trade mark, active ingredient, % active ingredient, LD₅₀, total active ingredient per Ha, FFB production, and total of active ingredient per ton FFB. For example:

- In September 2016 was conducted the control of the broadleaf *Asystasia* sp. in circle and path, in KNB-1, Division 1, Block

98A1, hectareage (61 Ha), herbicide used - Glytron 310 (Isopropil amina glifosat) amounted to 43 lt, % of active ingredient 49% (21.07 lt), LD₅₀ (Acut Oral > 3,822.49 mg/kg, Acut Dermal > 2,000 mg/kg), active ingredient per Ha (0.2926 lt), FFB production (179,694.92 kg), active ingredient per ton FFB (0.00002 lt).

- In February 2017 was controlled the broadleaf weed *Asystasia* sp. in circle and path in KNB-2, Division 4, Block 00E2, hectareage (118 Ha), herbicide used - Amifosat 480 SL (Isopropil amina glifosat) amounted to 117 lt, % of active ingredient 48% (56.16 lt), LD₅₀ (Acut Oral > 2,000 mg/kg, Acut Dermal > 4,000 mg/kg), active ingredient per Ha (1.29103 lt), FFB production (1,022,000 kg), active ingredient per ton FFB (0.000002 lt).

4.6.3

Based on the document verification and management explanation it was known, that the use of pesticide was based on the result of pest census (see criteria 4.5.1) wherein the chemical control will be performed if pest infestation level has been exceeded threshold level (IPM program).

The company has had the record of pesticide use during the last 3 year (2014/2015 s.d 2016/2017). For instance:

- KNB-1 Division 2: Herbicide of Isopropil amina glifosat 356 g/l, amounted to 3,320 lt in 2014/2015, then decreased to become 1.112 lt in 2015/2016 and 100 lt in 2016/2017 (as of February 2017).
- KNB-2 Division 4: Herbisida of Metyl metsulfuron 20% (gr), amounted to 2,346 lt in 2014/2015, then decreased to become 65.37 lt in 2015/2016 and 47.20 lt in 2016/2017 (as of February 2017).

Generally, the IPM program has been effective since the amount of pesticide used during the last 3 years tend to decrease. The company has been minimizing the use of pesticide and does not use pesticide to prevent disease (prophylactic).

4.6.4

The company has had the complete list of pesticide included in List WHO Class 1A or 1B, or listed in Convention of Stockholm or Rotterdam, and paraquat. The company showed the Internal Memorandum of Manager of Nilo Estate dated 23 April 2013, to all estate managers concerning the monitoring of paraquat herbicide use. In the document it was stated the policy, that in 2012/2013 the use of paraquat was 2% reduced from the amount of previous year, in 2013/2014 reduced 4%, in 2014/2015 reduced 6%, in 2015/2016 reduced 8%, and after October 2016 reduced 10%.

The company has had the record of use of paraquat herbicide during the last 3 years. For example:

- KNB-1 Division 2: In 2014/2015 amounted to 3,282 lt, in 2015/2016 (2,446 lt), and in 2016/2017 (0 lt).
- KNB-2 Division 4: In 2014/2015 amounted to 761 lt, in 2015/2016 (900 lt), an in 2016/2017 (0 lt).

The result of document verification and observation in pesticide store showed, that all units in estate did not use pesticide that categorised in List of WHO Class 1A or 1B. In 2015/ 016 the company still used paraquat herbicide, for instance in KNB-1 Division 2 amounted to 761 lt. However, in 2016/2017 the company does not use anymore paraquat herbicide.

4.6.5

The company has had SOP 30 – Mixing of Chemicals in Chemical Mixing Place. The application of pesticida was done in accordance with the best practice by the trained workers, as follows:

- The company has prepared the MSDS of every agrochemicals (pesticide) that explained about storing and handling of material, e.g handling when accident happen (effor of First Aid).
- The pesticide rate was based on recommendation stated in pesticide label/brochure. The result of document verification showed that rate used by the company has been comply with recommendation.
- The result of field observation and interview with workers in KNB-1, Division 1, Block 2 and KNB-2 Division 3, Block 5 and Block 6 was known, that workers have been trained on the safe working practice. The workers were able to demonstrate working in accordance with procedure, e.g using Self Protective Equipment (PPE).
- To ensure that the use of herbicide has been comply with target pest, the company conducted weed identification to control, then select method of herbicide application. For instance, the result of auditor observation in KNB-2, Division 3, Block 5 and Block 6 showed, that the germinated oil palm seed (*kentosan*) in circle and path was controlled by selektive spraying used herbicide Elang 480 SL (Isopropil amina glifosat), the rate 500 ml/20 lt water and 25 gr Metaprima.
- Based on observation in agrochemicals store, it was known that all pesticides used have been stored separatedly with other material. The agrochemical store has been facilitated with PPE, Safety symbols emergency shower, eye washer, and MSDS.
- In terms of paraquat herbicide use, the company has conducted training. For instance, on 9th April 2015 the company has performed Training on the Use of LimitedHerbicide - Paraquat Diclorida in PT. Adei Plantation & Industry, District of

Pelawan under collaboration with the Pesticide and Fertilizer Inspection Commission, Riau Province. The participants has had training certificate, e.g. Certificate No.1090/Set-KP3/IV/2015 dated 9th April 2015 for Mistila.

4.6.6

The company has had SOP No. 6 – The Safe Use of Plantation Chemicals that explained, among others, equipment and chemical remaining. The workers did not bring home the chemicals ex-container, apron and gloves. It has to be restored in store. The company also has had SOP 17 – Management of Estate Waste as guidance of storing, dumping of agrochemical waste and ex-container. The SOP also explained management measurement of agrochemical ex-container and fertilizer ex-plastic bag container.

The company has implemented the SOP properly. For example:

- Spraying workers in NB1, Division 1, Block 2 and KNB-2, Division 3 Block 5 and Block 6 explained to auditor, that herbicide ex-container has to be stored in Hazardous waste Store.
- Workers of fertilizer transport in KNB-1, Division 1, Block 2 explained to auditor, that fertilzier ex-plaztic bag container has to be stored in agrochimals store of Division Office.
- Result of observation in hazardous waste Store, mill, Division Office, estate, and housing of the company workers, showed that auditor dis not find the pesticide ex-containers were used for other purposes.

The result of observatin of agrochemicals store in KNB-1 and KNB-2 showed, that agrochemical has been stored by kind/group with MSDS of respective product. For example, kind of pesticide found in store:

- KNB-1: Elang 480 SL, Starane, Kixor, Metaprima, Lindomin, Becano, Antracol, Basta, and Kenlon
- KNB-2: Elang 480 SL, Starane, Kixor, Metaprima, Lindomin, Becano, Antracol, Basta, Kenlon, Bayfolan, Kenfosat, Regent, Miracle, and Ken Amine.

In agrochemicals store was also availabe First Aid Box, hazardous waste symbols, and spill kit. Place for chemical mixing was made seperatedly outside store. Washing and store of PPE/sprayers was done in special room. There was facility for worker to cleaning-up after work (appropriate shower room). The ex-washing water of PPE and sprayer was tapped in special container for further reuse.

4.6.7

The company has had SOP 30 – Mixing of Chemicals in Chemical Mixing Place that explained pesticide handling, among others:

- Operators have been trained and have to use PPE (rubber gloves, safety shoes, respirator and apron) and use chemicals, both kind and amount as needed.
- Chemicals are mixed with water homogenously in appropriate container with rate as recommended/prescribed.
- After mixing, the floor and all equipment have to be washed. The PPE is put in PPE store and washing hand using soap and clean water.

The company has conducted training foor workers who handle pesticide on how to perform step of spraying, risk, and impact of pesticide application. For example:

- Training on the Application of Paraquat Herbicide, held on 27th February 2015 in Meeting Room of KNB-1.
- Training on the Use of Limited Herbicide - Paraquat Dichlorida, held on 9th April 2015 in PT. Adei Plantation & Industry, under collaboration with the Pesticide and Fertilizer Inspection Commission, Riau Province.

The company also has had SOP No.6 - The Safe Use of Plantation Chemicals that explained about synchronization of chemical use, selection of pesticide use, pesticide store, traing and Personal Protecive Equipment (PPE), helath examination, equipment, spraying techniq, self cleaning, PPE washing PPE, equipment washing, equipment and chmeicals remaining, and billboard.

Based on the result of observation and interview with spraying workers in KN B-1, Division 1, Block 2 and KNB-2, Division 3 Block 5 and Block 6, it was known, that workers were using PPE (rubber gloves, safety shoes, carbonized masker, eye glass, and apron) that appropriate risk identification. The workers have had good understanding on spraing techniq, such as conduct spraying not contra flow with wind direction, washing and storing PPE and sprayers in space/room available in agrochemicals store, and washing hand using soap and clean water after spraying.

4.6.8

The result of document verification and interview with manager of KNB-1 and KNB-2 and spraying workers in KNB-1 Division 1 Block 2 and KNB-2 Division 3 Block 5 and Blok 6 showed, that the company did not apply pesticide from air (aerial spraying).

4.6.9

The company has performed training activities for workers regularly, for instance:

- Training on the Use of Limited Herbicide, held on 22nd December 2012 in Nilo Complex PT. Adei Plantation & Industry; on 27th February 2015 in Meeting Room of KNB-1, and on 9th April 2015 in PT. Adei Plantation & Industry.
- Training on Improving Capability of Workers in Spraying has been done on 8th January 2016 in KNT-2 Division 8, attended by 18 participants (spraying workers).

On 27th February 2015, the company under collaboration with PT. Jesindo Mandiri, Pekanbaru has undertaken the Training on Application of Paraquat Herbicide using INTER Sprayer in Meeting Room of KNB-1 for workers who come from companies that supply FFB to Nilo POM-1, they were PT. Safari Riau (5 workers), KKPA Sungai Buluh (1 worker), and PT. Satelindo Wahana Perkasa (3 worker).

Based on the result of observation and interview with spraying workers in KN B-1, Division 1, Block 2 and KNB-2 and in Division 3, Block 5 and Block 6 it was known, that workers were using PPE (rubber gloves, safety shoes, carbonized mask, eye glass, and apron) that appropriate risk identification. The workers have had good understanding on spraying technique, such as conduct spraying not contra flow with wind direction, washing and storing PPE and sprayers in space/room available in agrochemicals store, and washing hand using soap and clean water after spraying.

4.6.10.

Certificate holder has showed a SOP 16 Management of hazardous waste on revision of 1 August 2013 and SOP 17 Management of estate waste especially chemical packaging. Responsible by Manager / Assistant. Based on interviews with workers and estate managers, they have been aware of the management pesticide waste, spilled or spilled pesticide waste in accordance with SOPs of pesticide waste management. Pesticide packaging waste is delivered to a temporary storage area hazardous waste licensed and some packaging is reused for subsequent spraying.

4.6.11

Certificate holder show the document of medical examination such as cholinesterase for all employees who work using chemicals. Health examination results show that there is no health problem which have been presented to all employees. Based on the results of field observation in spraying activity has recognized that employees was followed a regular health checks. From field observation are also not identified any complaints of skin disease or itching.

4.6.12

Certificate holder has a policy that pregnant and lactating employees are not allowed to work related with chemicals. Based on the results of field observation in spraying activities are not found spray workers who are pregnant or breastfeeding. Workers spray also said that pregnant or breastfeeding women are forbidden to work related to chemicals.

Status: Comply

4.7

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

4.7.1

Certificate holder has a safety and health policy set by Group Plantation Director dated 10 January 2005 include the prevention of health risks and safety of workers in the workplace. Certificate holder has had a Safety and health program for 2017 which aims to improve health and safety. The Company evaluates the performance of safety and health in 2016 and develop an action plan for improvement. Policies and safety programs were communicated to the employees. Based on interviews with several workers on harvesting, spraying, fertilizing, officers grading and processing admitted that the company has been providing socialization associated with safety and health.

4.7.2

Certificate holder has a risk assessment document for all activities of estate operations and palm oil mill operations. Work accidents became one of the considerations in developing risk analysis. From the results of auditor visits in the field was found

the transportation of employees using trucks / tractors. This problem has been monitored by establishing a risk analysis of the activities for workers transportation such as altitude hazard sources, hot/rainy weather, and bumpy surface. Risk control is done to make stairs, make roof protector, provide air circulation, make the bench sit, make the handle etc. The risk control has been implemented in several divisions and plan to implementing for all division. Based on that, related to the transportation of employees becomes **OFI**.

4.7.3

Certificate holder has had a training program related to safety and health for 2017 and Workers have been given training related to safety and health such as how to work safely, boiler operator training, heavy equipment operators and welders. The company showed a plan for the training of safety electric technicians. This is shown in the email of management correspondence document dated 27 February 2017, The training is planned in 9 April 2017. Certificate holder provides PPE to employees according to HIRAC and MSDS. Based on the results of field visits in Nilo Barat 1 Estate known that monitoring of PPE before work on that date was in good condition and complete but admitted that PPE is broken when working in field. This is an improvement opportunity to improve the monitoring mechanism of PPE in the field. **OFI**

4.7.4

Certificate holder has safety and health organization authorized by Manpower Agency District of Pelalawan No. KPTS.560/Disnakertrans/2017 dated 24 Maret 2017, with the secretary is a general safety and health expert. Regular meetings are held monthly to discuss issues of safety and health.

4.7.5 & 4.7.7

Certificate holder has established safety and health procedures covers all the main potential causes of emergencies including occupational health and safety procedures, emergency response for work accidents, emergency response to natural disasters (floods) etc. Certificate holder carries out monitoring of workplace accidents with lost time accident analysis equipped with accident investigation work submitted regularly to the Manpower Agency District of Pelalawan. Based on the results of field observation in several activities such as harvesting, fertilizing, spraying, processing activities are known that The company provides first aid equipment in the field and located in strategic places.

Based on the results of field visits at Nilo Barat 1 Estate on harvesting activities, fertilizer and spray were found the foreman has brought first aid box, but the completeness of the first aid box is incomplete on some foremen. Based on these considerations related to monitoring of first aid boxes completeness it becomes OFI.

From the results of field visits in Nilo POM 1 is known that the company has provided training related to OHS. The employee also has understood the OHS procedures, but the employees at the grading station not understand the evacuation route. Related to this socialization becomes an opportunity for improvement (OFI) to the company to continuously improve the socialization of OHS to the workers.

4.7.6

Certificate holder provides health services for all of its employees. In addition, employees are also included in employment insurance covering work accident and death insurance. Based on the results of interviews to employees during field visits on some activities such as harvesting, fertilization, spray and mill processing known that employees get treatment at the clinic which is also as Health Facility.

4.7.2	Status: OFI	
4.7.3	Status: OFI	
4.7.5	Status: OFI	

4.8
All staff, workers, smallholders and contractors are appropriately trained.

4.8.1

Certificate holder has established a training program that is based on the identification of the training needs of workers to improve competence. The training program period in 2017 consisted of technical training, training concerning OHS and environmental health, simulation and socialization associated with sustainability, for example:

- a) Training sprayers
- b) Fertilizer training and fertilizer loader

- c) Fire extinguisher training for housing
- d) First Aid Training
- e) TBS loader training
- f) Training of Warehouse Officers
- g) IPM training
- h) Chemical mixing training
- i) Training of EFB transport operators
- j) Training of land and forest fire control and fires
- k) Security training

4.8.2

Certificate holder has recorded training records per individual, these records are presented in the form of training assessment records, which inform the date, training topic, assessment, recommendation, reference and signature.

For example: Records of training on behalf Metina where during the period of 2014 through 2017 have been following the 4 training / socialization. The latest training that he attended is training of pesticide spraying.

Status: Comply

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

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

5.1.1

Certificate holder has had a document of Environmental Impact Assessment (EIA) for the scope of Oil Palm Plantation for estate and KKPA which approved by Pelalawan Regency Regional Environment Impact Control Agency on October 17, 2006. Beside that, for palm oil mill the company has had a document of Environmental Management- Monitoring Efforts which approve by Environment Agency of Pelalawan Regency on August 4, 2011.

The impact analysis reviewed in this document is the processing of FFB PT Adei Plantation & Industry with capacity of 120 Ton FFB/hour and oil palm plantation of 12,860 Ha for estate and smallholder plantation land of 1,543 Ha (KKPA Batang Nilo Kecil & KKPA Telayap). In addition, environmental and social impact assessment documents from replanting activities for the company and KKPA conducted by PT Adei Plantation & Industry in 2015.

5.1.2.

The environmental management plan is included in the Environmental Management Plan & Environmental Monitoring Plan Implementation report for semester II of 2016 such as, Decreased air quality due dust and noise; Reduction of surface or river water quality; Soil aging, sedimentation and flood potential; Potential land fires; Changes in the structure of vegetation, wildlife and aquatic biota; Public unrest or social conflict; and Increased traffic accidents and Public health problems / employees.

5.1.3.

Certificate holder has conducted environmental impact monitoring that is documented in the Environmental Management Plan & Environmental Monitoring Plan Implementation Report and reported every 6 months to the relevant agencies. Based on the report, the environmental impacts monitored by the company have been in accordance with the EIA documents that are:

1. Decline of air quality every 6 months.
2. Increased potential of land fires of haze disturbance of each dry season / summer.
3. Plots of land every 6 months.
4. Increased sedimentation and flood potential every 6 months.
5. Reduced surface water quality every 6 months.
6. Change the structure of vegetation & wildlife once every 1 year.
7. Change of water biota every 6 months.
8. Opening job opportunities and striving during the activity stage.
9. The emergence of public perception every 6 months.

10. Increased traffic accidents every 6 months.

Certificate holder has evaluated environmental management and environmental monitoring plan of PT Adei Plantation & Industry on March 13th, 2017.

There is no issue related environmental aspect from Office of environment Pelalawan District because the Head of Division and Head of Section who have authority to give explanation were on duty in the Provincial Office of Environment.

Besides that, based on interview with village head, community figure and youth figure Batang Nilo Kecil, Telayap and Sungai Buluh. There is no issues related environmental impact. Most villagers realized the positive impacts.

Status: Comply

**5.2
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced**

5.2.1
Certificate holder showed HCV assessment conducted in October 2011 by RSPO Approve Assessor. The identification activities were carried out using the Revised HCV Toolkit Indonesia 2008 guide. This activity has been carried out by involving stakeholders on October 14th, 2011. The HCV identification results show that in the Cultivation Rights area there are 4 of 6 HCV types,

- HCV 1 (Endangered species and refugum)
- HCV 4 (Environmental services)
- HCV 5 (Socioeconomic)
- HCV 6 (Cultural and spiritual)

With a total HCV of 112.41 ha.

5.2.2 and 5.2.4.

Certificate holder shows a checklist of important species of Nilo Complex esate conducted every month. The types of RTE animals in March 2017 include Lutung, Beruk, Beaver, Pangolin, Tiger, Forest Cats, sun bear, loris, Biuku, Crocodile, Tortoise, and labi-labi.

- The company shows management plans to maintain protected animals, especially tigers such as:
- a. Identify and map the location of the distribution of key wildlife species conducted every 3 months including tigers.
 - b. Socialization to the community and employees not to catch, hunt and maintain protected animals.
 - c. Addition / renewal of notice boards about protected animals.
 - d. Addition / renewal signs are prohibited from hunting.
 - e. Prohibition of employees to maintain and trade protected animals.
 - f. Workers must report the activities of hunting / catching wildlife.

Certificate holder has demonstrated the management and monitoring plans of HCV and important species in Nilo estate for the period 2015-2017 such as; Socialization of the prohibition of catching protected species (once a year), Maintaining buffer zone (20 m) around reservoirs Palm Oil Mill 1 & 2, Renewing signs (ban spraying and cultivating), testing water in reservoirs and groundwater.

HCV management plans have been realized include: Forest tree planting located at Telayap river border area (Division 4) on May 2016 such as planting Pulai (11 trees), Meranti (2 trees) & Medang (2 trees). HCV socialization and protected species on March 28th, 2016 was attended by Head of Batang Nilo Kecil Village; Village secretary; Kaur; and others (34 people).

5.2.3

Certificate holder showed a SOP 15 Identification and management of HCV, Flora & Fauna approved by the General Manager dated March 1st, 2016. In addition, HCV & protected animal socialization was provided on March 28th, 2016 attended by the

<p>Head of Batang Nilo Kecil Village; Village secretary; Kaur; and others.</p>	
<p>5.2.5 Based on field visits and interviews with village communities, there is no community areas were made of HCV areas by companies. There are HCV 5 (Kepung Sialang and Bakal Paebo) which are used by the community, namely Sialang tree for bee hives. Local people believe that the honey has a high quality. There will be rubber and little trees and medicinal plants used by local people (Telayap and Batang Nilo Kecil villages).</p> <p>The Company has protected this area and conducted socialization to the community on March 28th, 2016 at the KNB 1 Meeting Room and distributed guidance on the management of HCV and protected animals.</p>	
<p>Status: Comply</p>	
<p>5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>	
<p>5.3.1 Certificate holder provided Identification of waste sources for Mill and estate units such as used oil, waste filters, wastewater, empty beds, methane gas, dust, clinical waste, domestic waste and others. In addition, there are activities that can generate pollution sources such as new plantings and re-planting; Use of renewable fuels, use of fertilizers, transportation, use of generators, landfills and others.</p>	
<p>5.3.2. Certificate holder provided Waste storage permit (Nilo 1 POM) with decision number SK KPTS.503/BPMP2T-PLY/41/2016 by Head of investment Board and integrated Licensing Services valid for 5 years since 20 December 2016. In addition, the minutes of meeting of delivery of hazardous waste to PT Primanru Jaya dated on December 8th, 2016 which has been granted environmental permits No.234 of 2011 license vehicle from the Ministry of Transportation of the Republic of Indonesia with the number of trucks B 9402 QT. The type of waste transported consists of; Used oil 1654 liter manifest number BC 0032797; Battery used 3 pairs manifest number BC 0032799; Filter used 68 kg manifest number BC 0032798; Lamp used 3.2 kg manifest number BC 0032800; and Package contaminated with 28 kg manifest number BC 0032801.</p>	
<p>5.3.3. Certificate holder shows waste management that has been documented and implemented such as:</p> <ul style="list-style-type: none"> • Liquid waste: utilized in estate with Land Application system with first processed in WWTP. • Air waste: air emissions from the operation of the boiler using a dust collector, heavy dust will drop while light dust will be carried through the chimney. • Solid waste: Empty Fruit Bunch, fiber and shells can be used for fertilizer and boiler fuel. • Medical waste: Medical waste delivery dated March 29th, 2017 from Nurul Medika Clinic to Amalia Medika Hospital is located in Pangkalan Kerinci Sub-district of Pelalawan Regency of 1 kg. • Domestic waste: Based on interview and field observation, domestic waste is transported once a week and delivered to landfill. <p>Based on field visits in the residential area, plantation land, it is known that the waste is disposed accordance with the procedures of management waste. Waste is not burned. There is a ban board for burning and light fires.</p>	
<p>Status: Comply</p>	
<p>5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>	
<p>5.4.1 Certificate holder has calculated the efficiency use of fossil fuels and renewable energy for 2016-2017. The average efficiency of electricity usage for turbine is 44.09 kWh / ton CPO, efficiency of electricity usage for generator is 22.98 kWh / ton, Fiber + Shell Efficiency of 0.85 MT ton CPO and savings of diesel usage of 25,783.00 liters.</p>	
<p>Status: Comply</p>	

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

5.5.1 and 5.5.2

Certificate holder showed a Prohibited Burn policy approved by the Regional Director and SOP 4 Replanting which explains the no-burn ban. Based on field visit at replanting area of Block 35 Division II KNB 1 and KNB 2, Land preparation was done by manual or mechanical without burning. There is fire prohibition board.

Status: Comply

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

5.6.1.

Certificate holder shows a list of sources of pollution and plans to reduce pollution, among others:

- New planting and replanting: CO₂, CH₄, N₂O.
- Prevent fire: CO₂.
- Biogas capture: CO₂, CH₄ and NO₂.
- The use of renewable fuels: CO₂, CH₄ and NO₂.
- Use of fertilizer: CO₂ & NO₂.
- Use of Palm oil Mill waste: CO₂ & CH₄
- Increased yield: CO₂ (due to land reduction).
- Transportation: CO₂, CH₄ and N₂O.
- Genset usage: CO₂, CH₄ and NO₂.
- Landfills: CH₄.
- Monitoring GHG emissions and calculations.

5.6.2 and 5.6.3.

Management and implementation plans to reduce pollution and emissions are included in the Environmental Management Plan & Environmental Monitoring Plan Implementation report of Semester II of 2016.

Certificate holder has calculated GHG using Palm GHG version 3.0.1 for 2016 (Nilo POM 1), among others:

Summary of Net GHG Emissions.

Emissions per Product	tCO₂e/tProduct
CPO	6.61
PK	6.61

Production	t/yr
FFB processed	190,719
CPO Produced	40,148

Extraction	%
OER	21.42
KER	5.17

Land use	ha
OP Planted area	7215
OP planted on peat	4376.5
Conservation (forested)	-
Conservation (Non-forested)	125

Total	11,716.5								
Summary of field emissions and sinks									
Description	Own			Group			Pihak Ke-3		
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB
Land conversion	0	0	0	0	0	0	0	0	0
CO2 Emissions from fertilizer	11905.509	2.16	0.13	0	0	0	860.03	0.56	0.1
N2O Emissions	34060.53	6.22	0.38	0	0	0	11807.67	7.68	1.32
Fuel Consumption	963.19	0.18	0.01	0	0	0	70.93	0.05	0.01
Peat Oxidation	149904.98	27.3	1.65	0	0	0	83974.8	54.6	9.41
Sinks									
Crop Sequestration	0	0	0	0	0	0	0	0	0
Sequestration in Conservation Area	-390.59	-0.07	0	0	0	0	0	0	0
Total	196443.2	35.78	2.17	0	0	0	96713.43	62.88	10.84
Summary of Mill Emissions and Credits									
Description	tCO2		tCO2e/t FFB						
POME	30495.51		0.17						
Fuel consumption	872.41		0						
Grid Electricity Utilisation	0		0						
Credits									
Exports of Excess Electricity to housing & Grid	-1625.18		-0.01						
Sale of PKS	0		0						
Sale of EFB	0		0						
Total	29742.73		0.16						
Palm oil Mill Effluent (POME) Treatment									
Divert to compost	-								
Divert to anaerobic digestion	100 %								
POME Diverted to Anaerobic Digestion									
Divert to anaerobic pond	100 %								
Divert to methane capture (flaring)	-								
Divert to methane capture (electricity generation)	-								
Status: Comply									
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills									
6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.									
6.1.1 Social impact assessment described in the EIA documents for PT Adei-Nilo Complex, KKPA of Batang Nilo Kecil and KKPA of Telayap, as well as the SIA report conducted by Aksenta in 2011 for the PT Adei - Nilo Complex and KKPA under its management.									

Social impact assessment report inform the list of key stakeholders, social issues of internal and external (the company's presence and land acquisition, plantation operations, POM operational, corporate social responsibility) and given issues. Also described related to the existence and relevance of KKPA management social issues.

6.1.2.

The parties who are involved in social impact assessment, namely: plantation/mill management, plantation/mill employees, management and board of KKPA, village heads, board of villages, administrators of KKPA, member of KKPA, Batin (traditional leaders of Telayap village), community and youth figures, contractors, labor unions, palm oil estateers, rubber estateers, FFB suppliers, principal, elementary school teachers, shopkeepers / traders and housewives.

Records and evidence of participatory activities in the form of photographs, the minutes, attendance and focus group consultations and questionnaires. Informants were contacted as many as 118 people. The village involved is Batang Nilo Kecil, Telayap, Sering, Kemang, Palas and Sungai Buluh. It is also consistent by results of consultations with the communities in Telayap and Batang Nilo Kecil village.

6.1.3, 6.1.4, 6.1.5.

Can be demonstrated the management and monitoring plan of social impact of PT Adei-Nilo Complex period of 2015/2016, based on evaluation and consultation with the communities through questionnaire and management review on 20 December 2016 stated that the program still relevant. There are 27 program including a detailed schedule responsible in charge.

Status: Comply

**6.2
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

6.2.1; 6.2.2; 6.2.3

PT Adei P & I identifies 11 categories of relevant stakeholders, including the surrounding villages, NGOs, agencies and organizations of workers. Provided communication consultation and socialization procedure SOP No. 19, revision dated August 1, 2013, describes the person in charge and the stages to conduct communication and consultation with the company. Personnel who responsible in terms of consultation and communication with local communities and other stakeholders is the Public Relations Staff and Manager.

Based on interviews with village officials of Batang Nilo Kecil, Sungai Buluh and Telayap it is known that village officials already know the mechanism of consultation and communication with companies where consultation and communication can be done verbally, written or direct visits to PT Adei P & I. In charge personnel has been assigned namely public relations staff and Manager of PT Adei P & I. The company has responded well to the existing communication process. The recording of information usually is only a request for financial assistance, requests for village road repair assistance where the PT Adei P & I has responded for its.

Status: Comply

**6.3
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.**

6.3.1

Mechanisms and complaint handling system is described in SOP 20 (procedure of complaints / grievances submission) revision dated August 12, 2016. Complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, union labor, hotline and email provided by the company and through the RSPO website. Grievances included anonymous and whistleblower cases can be submitted through the suggestion box, suggestion boxes checked by GM/director periodically.

6.3.2

All of complaints recording in the logbook of complaint, the logbook has been inform responses and action plans/implementation of the corrective action. Complain form external thus far only in the form of requests for assistance and have been addressed by the company, such as requests for heavy equipment to repair village roads. While internal complaints

only in the form of complaints of housing improvements if there is damage.	
Status: Comply	
6.4	
Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
6.4.1, 6.4.2, 6.4.3.	
The compensation process has been completed by the company in 2013, the last of compensation made in the Palas village, Kemang Village and Batang Nilo Kecil village. The evidence of such compensation has been demonstrated and verified during the ST2 up to ASA-2. Based on interviews with villagers in Batang Nilo Kecil and Telayap village mentioned that the compensation process performed by the company has been in accordance with the agreements and company SOPs (SOP No 27).	
Status: Comply	
6.5	
Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	
6.5.1	
At the time of ASA-04 audit is conducted, wage determination in the period of 2017 has not been issued by the Governor of Riau, so the company still refers to the Governor Decree No. 573 on July 1, 2016. In addition there is a memo from the president director for the GM Nilo complex stating that the wages of permanent employees are referring to the Riau Governor Decree No. 573 of 2016. Set in Pekanbaru on June 6, 2016 and valid from January 1, 2016. Based on document review known the company have paid overtime in accordance with that specified in the Collective Labour Agreement. The results of interviews with workers in Land Application known that workers have earned wages and overtime has paid in accordance with the applicable regulation.	
6.5.2	
Certificate holder has a collective labor agreement that describes the rights and obligations of employees and employers, wage payment mechanisms, worker conditions, working hours, working days, holidays and leave and termination of employment. The CLA is valid for the period 2015 - 2017 and has been approved by Decree of Directorate General of Industrial Relations and Labor Social Security of Pelalawan District on October 1, 2015. Each labor has had the agreement / contract with the company, for example: Agreement No. AD-KN/KNB-2/567/XII/2015 dated January 1, 2016 where the Agreement has clarified the positions, wages, rights and obligations of employees. Agreement No. AD-KN/KNB-1/P004/IX/2016 dated 1 September 2016 where the Agreement has clarified the positions, wages, rights and obligations of employees. However, based on field observations and interviews, known that there are are loose fruit picker in Block 7 Div 4 KNB 2 who admit working and do not have a contract with the company. The Company has not been able to show documentary evidence of bonding / labor relations associated with the loose fruit picker. This became NCR No. 2017.3 There is a problem of industrial relations with one of the workers. This has been reported by the company to the Decree of Directorate General of Industrial Relations and Labor Social Security of Pelalawan District and it has held a mediation process. Until now, the company is still waiting for recommendation from Decree of Directorate General of Industrial Relations and Labor Social Security of Pelalawan District to bring it to the Industrial Relations Court (Observation).	
6.5.3	
Facilities and infrastructure provided by the company to support the welfare of the employees have been provided with sufficient and adequate, it is verified by the auditor both in documents and based on field observations. Facilities and infrastructure are provided such as: housing, sport facilities, places of worship, clean water, lighting, health facilities (clinics, Maternal and child health center and ambulance) and means of supporting education (School Bus).	

Based on the results of field visits in housing KNB 2 known that workers have had enough with the housing conditions, where is the electricity needs has been installed by State Electricity Company and the clean water needs fulfilled by the artesian well. There is a Nilo Mart that provides drinking water gallons with relatively low price. For health facilities, the company has registered workers in the Social Assurance of Labor program (BPJS) as evidenced by payment receipt dues every month.

6.5.4

The company has provided roads to markets that located around the estate, for example: Palas traditional market in Palas Village which operates once a week. Impromptu market in location of estate that operates every month during employee pay. The results of interviews with workers in the housing division I known that available stalls in the housing that provides groceries. There is also Kerinci market that operates daily with a distance arounds 13 KM from the location of the estate. In addition the company has provided Nilo Mart which sells refill drinking water, the company explained that Nilo Mart will provide daily needs of workers (groceries).

6.5.2	Status: Non conformance NC.2014.02 with major category	
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**6.6
The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

6.6.1

Certificate holder have a policy about the Freedom for Association were approved by the Regional Director on October 1, 2011. The policy is written in Indonesian language, stating that the company gives the freedom for workers to associate with legitimate in accordance with the applicable laws.

In the Collective Labor Agreement of PT Adei Plantation and Industry Nilo Complex Estate period 2015 - 2017 section 4 point 3 it has been explained that unions have the Right and Obligation:

- As a channel of collective aspiration of its members in the effort of protection and work safety and improvement of workers' welfare.
- As a motivator to increase work productivity and work participation.
- As an element of business calm and calmness in the company.

In the KLK Group's sustainability policy, points 3.2.v mentioned that the group and the supplier / contractor must recognize and respect the right of employees to form and join worker unions of their choice which are subject to the restrictions set forth in the legislation in the related country.

Proof of registration of worker unions to the related agencies on October 25, 2005 with recording No57/DISNAKER/PEN/2005. The composition of administrators board consists of 5 people (chairman, deputy chairman, secretary, treasurer and counsel) A list of employees who are members of worker unions for the period of 2017 can be demonstrated by the company that is as many as 471 people for workers union.

6.6.2

Worker Unions meetings both internally and with management do if there are labor issues that have been raised by the company with the Workers. The company showed internal meeting minutes of PT Adei P & I with Workers Union, for example: The union meeting with the management of PT Adei P & I on May 17, 2016 at KNT 1 participated by 21 participants discussed about union membership deduction, rehabilitation of the union office, rehabilitation of employee housing and the provision of clean water.

	Status: Comply	
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**6.7
Children are not employed or exploited.**

6.7.1

Policy about Child Labor on August 7, 2013, signed by the Director which contains that the Company is committed not to employ children under the age of eighteen and a commitment to ensuring that contractors comply with regulations.

In SOP No. 21 about Management and Labor on April 7, 2016 signed by the Senior Manager described the conditions of

workers admission at PT Adei P & I, one of which is the minimum age requirement is 18 years old.

The results of interviews with the spraying workers at block 6 division 3 known that workers understand about the minimum age requirement employment is 18 years. Workers also understand their company's policy on the prohibition of bringing children to work. The results of the documents review on the list of employees known that whole workers has over 18 years old.

Status: Comply

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

6.8.1
Policy about Opportunity and Equal treatment in recruitment on October 1, 2011, signed by the Director (Tan Kei Yoong) containing that the Company always fair and provide equal treatment without distinction of race, ethnicity, caste, nationality, religion, gender, sexual orientation and union membership. In the KLK Group's sustainability policy, points 3.2.ix mentioned that the group and suppliers / contractors are required to ensure equal opportunity in the workplace.

The process of selection, recruitment and promotion of workers can be demonstrated. In the SOP of Human Resource management which is owned by the company can be seen that the process has been based on the expertise, capacity, quality and medical health of prospective labor / labor. Recruitment policy described in the document of Recruitment System Policy / Company Policy of KLK Agriservindo document No. KLKA / CP-HR / 001 on April 18, 2011

Based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender. PT Adei P & I can provide the assessment documents, promotions and the employee appointments.

6.8.2 & 6.8.3

The results of interviews with the head of gender committee known that there is no gender discrimination in the workplace. PT Adei P & I provide protection to female workers for example: women who are menstruating given 2 days leave, and for pregnant women are transferred to light work (office garden care).

In additional, based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender. PT Adei P & I can provide the assessment documents, promotions and the employee appointments.

Status: Comply

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

6.9.1 & 6.9.3.

There are policies about Sexual Harassment and Violence were signed by Tan Kei Yoong on October 1, 2011:

- The Company does not tolerate sexual harassment and violence against women in the workplace.
- Sexual harassment and violence is a serious mistake so that the company will give firm action against the perpetrators.
- The Company will comply with all legal and regulatory requirements relating to the reproductive rights.
- Gender committee will be formed to implement and monitor this policy.

In KLK Group sustainability policy point 3.2.xii it is mentioned that the group provides confidential means for all stakeholders and personnel to report unethical activities / violations and grievances. The company has provided suggestion boxes, hotline phone numbers and emails to protect anonymous complaints.

Based on the recording of the suggestion box known that there is no complaints entered. The complaints submitted directly to the assistant are only complaints of housing repairs and requests for assistance from the surrounding villages where the company has shown record of the company's response for it.

6.9.2

Systems and complaints handling mechanisms are described in SOP 20 concerning the procedure of complaint submission /

complaint of revision on August 12, 2016. Complaints can be submitted through the logbooks that have been provided, directly to the foreman, through suggestion boxes, through gender committees, unions, And email provided by the company and through the RSPO website.

Based on interviews with fertilizer workers in division 3 block 4 and spraying workers in division 3 blocks 5 and 6 known that workers have been known the gender committee in PT Adei P & I. Workers have understood where to complain if they experience violence against women. The company has provide the protection of women's rights has been granted, for example menstrual rights.

Status: Comply

6.10

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

6.10.1 Minor, 6.10.2 Major, 6.10.3 Minor & 6.10.4 Minor

Certificate holder are receives FFB from smallholders and outside supplier. The Agreements made directly without intermediaries/agents with FFB pricing for FFB from associated smallholders based on provisions price on the pricing meeting Plantation Agency province of Riau. FFB pricing for FFB from outside supplier Determined by the company in accordance with the agreement. From interviews with the management of estateers Union of Sering Village are no complaints about the price of FFB. FFB payments are made by bank transfer in a timely manner in accordance with the agreement.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Certificate holder has compiled a CSR budget estimates for the period 2016-2017 consists of education program, donations, free medical treatment program, provision of subsidized palm oil seedlings, training programs for fire control and social. In the preparation of CSR programs has involved the local community, providing by evidence minutes of meetings **"Musrebang"** discuss about Village Development Work Plan. PT Adei P & I has shown the realization CSR program report for year 2016-2017 for example for Palas village, Kemang Village, Batang Nilo Kecil village, Telayap village and Sungai Buluh village.

In addition, company has empowered local communities through the use local contractors, such as building contractors and renovations (PT Naga Berlian Sejati) and manuring and EFB contractor (CV Kemang Berkah). The results of interviews with contractors known that contracts are established by mutual agreement and signed by contractors and company. The contents of the contract describes the volume of contracts, OHS aspect, methods and time of contract payments.

6.11.2

Full registration list of independent smallholders can be shown, KKPA Batang Nilo Kecil as many as 220, KKPA Sering as many as 50 and KKPA Telayap as many as 465. The company sets 1 manager and 1 assistant in assisting KKPA management, training and regular supervisory is also conduct to the cooperative board and including estateers, described in C4.8. In addition there are also other attempt, for example the implementation of soil and leaf analysis by PT AAR Indonesia in 2015 for fertilizer recommendation in 2016.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1.

All employees of PT Adei P & I are legal employees received under the company's own admission. Companies can show the proof of recruitment in the form of identity and employee Cooperative Agreement Letter. In the sustainability policy of the company, points 3.2.i mentioned that the group and the supplier / contractor will not employ or support the use of forced labor or human trafficking and will take appropriate measures to prevent the use of such labor.

Companies routinely report the the amount and status of employment to the relevant agencies through the documents of Labor compulsory report (WLTk).

6.12.2.

There is no contract substitution at the time of recruitment, all workers accepted have had the agreement before work begins. Based on document review of employee list, Labor compulsory report (WLTk) and interview with workers in the field known that the type of work described in the contract of employment is the same as is done today.

6.12.3.

The certificate holder does not employ migrant workers and outside the region (inter-city inter-regional), all workers are come from the area around the plantation. Based on documents review of employees list which inform the regional origin and addresses of employees known that there are no migrant workers at PT Adei P & I.

Based on the results of interview with Labour Agency known that the company has regularly reported the the amount and status of employees through Labor compulsory report (WLTk) and there are no migrant workers.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

In KLK Group's sustainability policy endorsed by the Chief Executive Officer on December 1, 2014 points 3.1 mentioned that KLK and its subsidiaries are recognized individual dignity inherent in every person and to support the universal declaration of human rights by the United Nations.

Based on interviews with workers known that the company has socialized company policies regularly including policies on human rights. Socialization is done by sticking to the policy in offices, socializing in the housing and socialization to workers during the morning briefing before the activities started.

In additions, The results of interview with management, workers and based on review of complaint documents known that so far there are no human rights violation in PT Adei P & I.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.7.1 and 7.7.2

PT Adei Plantation & Industry did not conduct operational area development after 2005. Document review and interview with management showed that the last land clearing activity was conducted in 2003. The results of document review, field visit and interviews show that the planting year at KNT 1 and KNT 2 consists of 1992, 1998, 1999, 2000, 2001, 2002, 2003. For the planting year 2015 and 2016 are replanting.

Status: Comply

7.2

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

7.2.1 & 7.2.2.

The result of document verification, field observation, and interview with management, it was known that since implementation of ASA-1 thru ASA-3, the company did not conduct the new land clearing or developing (extending) operational areal. Distribution of planting year in operational areal consisting of 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015, 2016, dan 2017. The planting year of 2015, 2016, and 2017 were replanting activity.

Status: Comply

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance

one or more High Conservation Values.	
<p>7.3.1 – 7.3.5. The results of document review, field visits and interviews known that since the ASA-1 through ASA-2 there are no new land clearing or new development in its operational area. The range of planting years is between 1992 -2004. The planting in 2015 and 2016 was replanting activities. The submission of liability disclosure and LUCA report to the RSPO secretariat was by email on October 13, 2015.</p>	
	Status: Comply
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
<p>7.4.1 & 7.4.2 The result of document verification, field observation, and interview with management, it was known that since implementation of ASA-1 thru ASA-3, the company did not conduct the new land clearing or developing (extending) operational areal. Distribution of planting year in operational areal consisting of 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015, 2016, dan 2017. The planting year of 2015, 2016, and 2017 were replanting activity.</p>	
	Status: Comply
7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
<p>7.5. The results of document review, field visits and interviews known that since the ASA-1 through ASA-2 there are no new land clearing or new development in its operational area. The range of planting years is between 1992 -2004. The planting in 2015 and 2016 was replanting activities.</p>	
	Status: Comply
7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
<p>7.6 The results of document review, field visits and interviews known that since the ASA-1 through ASA-2 there are no new land clearing or new development in its operational area. The range of planting years is between 1992 -2004. The planting in 2015 and 2016 was replanting activities.</p>	
	Status: Comply
7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
<p>7.7.1 and 7.7.2 PT Adei Plantation & Industry did not conduct operational area development after 2005. Document review and interview with management showed that the last land clearing activity was conducted in 2003. The results of document review, field visit and interviews show that the planting year at KNT 1 and KNT 2 consists of 1992, 1998, 1999, 2000, 2001, 2002, 2003. For the planting year 2015 and 2016 are replanting.</p>	
	Status: Comply
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.	

7.8.1 dan 7.8.2	
Based on the study of the statement area there is no land clearing above January 1 st , 2015. Document review and interview with management showed that the last land clearing activity was conducted in 2003. The results of document review, field visit and interviews show that the planting year at KNT 1 and KNT 2 consists of 1992, 1998, 1999, 2000, 2001, 2002, 2003. For the planting year 2015 and 2016 are replanting.	
Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1	
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
8.1.1	
Certificate holder has a belt press machine is used for removal of sludge from pond and separated dry sediment as organic fertilizer and waste water returned to WWTP system So that the water depth in the waste pond returns to normal.	
The company has had the Sustainability Internal Audit – Document review was conducted from 16 th – 18 th February 2017 and has been evaluated on 13 rd – 16 th March 2017. For example:	
<ul style="list-style-type: none"> - KNB-1 Division 1 did not have the report of the IPM Training. Follow up: The IPM Training has been conducted on October 2016. - KNB-2 Division 4 did not have planting program of the leguminous cover crop and actual manuring. Follow up: The planting of leguminous cover crop has been conducting up until February 2017 in PR 17A and manuring until 17th February 2017 using NK in PM001D2a. - The meeting conclusion of P2K3 at Nilo POM-1 for November 2016 – January . 2017 period that sent to Distict Office of Manpower and Transmigration, Pelalawan District has not yet available. Follow up: The meeting conclusion of P2K3 for November 2016 – January 2017 period has been available 	
The company has had plan of continuous improvement. For example:	
<ul style="list-style-type: none"> - KNB-1: Reduction use of paraquat herbicide, that is in 2012/2013 (2% from amount used in 2011/2012), in 2013/2014 (4% of 2012/2013), in 2014/2015 (6% of 2013/2014), in 2015/2016 (2% of 2014/2015), after October 2016 (10% of 2015/2016), and after January 2017 (zero use). - KNB-2: Example, planting/maintaining the beneficial plants, conducting census of termite using GPS System, and putting up artificial nest box of rat predator (owl – <i>Tyto alba</i>). - Nilo POM-1: Inceasing the OER and KER, change and adding lorry in 2015/2016, adding Brush Strainer in Clarification Station, installing Aerator in IPAL, and making Belt Press, in 2016. 	
Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements															
E.1	Definition															
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Nilo POM 1 received and processing certified FFB and uncertified FFB, Verification of FFB receiving are started in security pos. Nilo POM 1 implemented SCCS Module E (mass Balance).</p>																
<p>Status: Comply</p>																
E.2	Explanation															
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>CPO and PK estimation in period of 14 May 2016 – 13 may 2017 were delivered and attached in ASA 2, Which are:</p> <ul style="list-style-type: none"> - FFB 97,710 ton - CPO 21,456 ton - PK 5,179 ton <p>Actual certified production in periods of 14 may 2016 – 31 March 2017 are:</p> <ul style="list-style-type: none"> - FFB 91,565.67 ton - CPO 17,859.68 ton - PK 4,216.96 ton <p>Nilo POM 1 has increased their estimation shown by email to CB (PT. Mutuagung Lestari) dated 18 February 2017:</p> <ul style="list-style-type: none"> - FFB 126,459.38 - CPO 27,964.61 ton - PK 6,616.47 ton 																
<p>Status: Comply</p>																
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> • RSPO IT Platform member registration number: RSPO_PO1000001417 • Certified CPO sold to each buyer period of certificate 14 May 2016 to 31 Maret 2017 : <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>June'16</td> <td>PT. Intibenua Perkasatama</td> <td>2,000.000</td> </tr> <tr> <td>July'16</td> <td>PT. Intibenua Perkasatama</td> <td>728.430</td> </tr> <tr> <td>August'16</td> <td>PT. Intibenua Perkasatama</td> <td>21.570</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td>2,750.000</td> </tr> </tbody> </table>		Date	Buyer	Volume	June'16	PT. Intibenua Perkasatama	2,000.000	July'16	PT. Intibenua Perkasatama	728.430	August'16	PT. Intibenua Perkasatama	21.570	Total		2,750.000
Date	Buyer	Volume														
June'16	PT. Intibenua Perkasatama	2,000.000														
July'16	PT. Intibenua Perkasatama	728.430														
August'16	PT. Intibenua Perkasatama	21.570														
Total		2,750.000														
<p>Sample ticket sales CPO certified on 30 July 2016 No. Ticket M149663 PT. Intibenua Perkasatama No. Contract</p>																

ADEC/00337-S/CPO-MB. Netto 26.830 and RSPO-CPO (MB) code has been included.

• **Certified Palm Kernel sold to each buyer period of 14 May 2016 to 31 Maret 2017**

Date	Buyer	Volume
May'16	Mandau KCP	298.800
Jun'16	Mandau KCP	320.840
Jul'16	Mandau KCP	276.160
Aug'16	Mandau KCP	245.950
Sep'16	Mandau KCP	325.420
Oct'16	Mandau KCP	601.510
Nov'16	Mandau KCP	385.970
Dec'16	Mandau KCP	384.860
Jan'17	Mandau KCP	296.940
Feb'17	Mandau KCP	416.320
Mar'17	Mandau KCP	91.130
Total		3,643.900

Sample ticket sales palm kernel certified 13 March 2017 No. Ticket M151153 receiver Mandau – Kernel Crushing Plant Pekanbaru. No. Contract NL 1/PK-MB/0317-5. Netto 32.830 and RSPO-CPO (MB) code has been included.

Status:

E.3 Documented procedures

E.3.1

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

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

Nilo POM 1 has written procedures for the implementation of all elements in the SCCS requirements. Procedure No. 2 issued 1 January 2016 has been explained the stages starting from reception of FFB by security until the dispatch/delivery of products to customers. Mentioned that the Nilo POM 1 receive FFB from internal (certified) and external suppliers (non-certified).

Personnel in responsible for the implementation of SOP is a manager in their respective territories. Based on the results of field visits and interviews with some key persons in the recipients of FFB such as postal security and weighbridge operators have understood the separation of FFB certified and non certificate. Security job descriptions related to FFB certified is only administrative of FFB acceptance and is not related to the separation of certified products or not. Security officers also has understand the FFB certified, But does not understand that the certified product in question is an RSPO certificate. Based on these considerations it becomes **OFI**.

Status: OFI

E.3.2

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

Documented procedures for receiving and processing certified and non-certified FFBs explained in the SOP requirements of RSPO supply chain, the reception of FFB starting at security post and weighing station. The document describes the guidelines generally of FFB reception in weighbridge station which has been separate the FFB certified and non-certified FFB.

There is explanation related to FFB processing, NPOM1 implementing SCCS Module E (MB) requirements, all FFB derived from certified suppliers and non-certified suppliers. Mentioned that in the case when mill receive non-certified FFB, mill can only claim palm oil products that has been produced from the processing of FFB certified.

Status: Comply

E.4 Purchasing and goods in

E.4.1

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

FFB certified and non-certified separation document has performed since the beginning of the reception at the weighbridge station. Documentation of receipt shown in the form of FFB Delivery Blank Form and weighing ticket. Weighbridge clerk has recognized and has a list of certified suppliers and non-certified suppliers.

Certified and non-certified FFB received period of 14 May 2016 to 31 March 2017

Month	FFB		
	RSPO Certified	Non Certified	Total
14 May '16	3,428.340	4,915.390	8,343.730
Jun '16	6,421.740	9,214.300	15,636.040
Jul '16	6,833.210	6,768.110	13,601.320
Aug '16	8,610.480	8,280.770	16,891.250
Sep '16	9,794.430	10,238.130	20,032.560
Oct '16	9,772.400	12,181.760	21,954.160
Nov '16	9,824.582	10,709.618	20,534.200
Dec '16	8,704.400	8,364.470	17,068.870
Jan '17	8,279.330	5,903.870	14,183.200
Feb '17	7,457.510	5,052.330	12,509.840
Mar '17	7,532.570	4,993.760	12,526.330

Status: Comply

E.4.2

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

There is no excess of actual certified products produced by NPOM1 during the period of the certificate of 14 May 2016 – 31 March 2017. Estimation product of Nilo POM 1 for periods 14 May 2016 – 13 May 2017:

- FFB 97,710 ton
- CPO 21,496 ton
- PK 5,179 ton

Actual certified product for periods 14 May 2016 – 31 March 2017:

- FFB 91,565.67 ton
- CPO 17,85.68 ton
- PK 4,216.96 ton

Status: Comply

E.5 Record keeping

E.5.1

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

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

Record keeping and balancing all the of FFB received, the production of CPO and PK as well as the delivery done by the company in three monthly basis. Mass Balance certified products sales performed from the stock positive. Shown in the table below:

Month	FFB cert	FFB non cert	CSPO MB prod	Total CPO	CSPO Sales	CSPK MB Prod	Total PK Prod	CSPK Sales
(14-31) May 2016 s.d Jul 2016	16,683.290	20,897.800	3,502.640	7,867.073	2,728.430	939.30	1,954.99	895.800
Agust – Oct 2016	28,177.310	30,700.660	5,645.271	12,282.956	21.570	1,333.666	2,895.525	1,172.880
Nov 2016 – Jan 2017	26,808.312	24,977.958	5,597.154	10,951.095	-	1,317.069	2,582.365	1,067.770
Feb – Mar 2017	14,990.080	10,046.090	3,114.617	5,202.455	-	756.899	1,264.544	507.450

Status: Comply

E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

Nilo POM 1 did not hire outside crusher, company only sells palm kernel product

Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use (only apply for Surveillance Assessment)

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

3.4 Summary of RSPO Partial Certification

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.2 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Positive assurance statement provided, which does not include the new mill found in the revised time bound plan..
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	The company has conducted HCV assessment in January – February 2012 for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. The new mills and newly acquired land are still under consultant preliminary report.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None noted. No stakeholder comments or complaints received

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2 Certification Assessment

NCR No	Ref Std	Finding	Area	Grade	Time limit	Observation	Status	Date Closed
-	-	No Finding in ASA 2	-	-	-	-	-	-

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA-3 Certification Assessment

NCR No.	: 2017.1.	Issued by	: Leonada
Date Issued	: 5 April 2017	Time Limit	: 4 June 2017
NC Grade	: Major	Date of Closing	: 14 May 2017
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on the results of field visits and document verification, non conformity related to regulatory compliance were observed:			
<ul style="list-style-type: none"> - Nilo POM 1 has 1 boiler operating with capacity 35 ton/hour, but there is only 1 operator (Class 1) in each work shift. Un comply with Permenaker No. 1 tahun 1988 - Can not be shown the results of periodic health checks for all employees at least once a year. Un comply with Permenaker No. 2 tahun 1980 			
Root Cause Analysis (filled by organization audited):			
Lack of understanding of regulation related to Operator Boiler Competency Lack of understanding of health examination requirements			
Corrective Action (filled by organization audited):			
Will be conducted training boiler operator (4 people) in May'17 Conducting Health Check of both estate employees and factories			
Preventive Action (filled by organization audited):			
Appointed an executive to monitor the contents of the rules Incorporate into health examination program			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification 18 April 2017			
The company has 1 boiler with capacity 35 ton / hour. The company shows the grade 1 boiler operator certificate for shifts 1 and 2:			
<ul style="list-style-type: none"> - Hariadi No. Ser. 12.1764-OPK3-PUBT-B.I/XII/2012 - Parulian Turnip No. ser 651/PNK3-PUBT/OB-I/VII/07 			
The Company has corresponded on 31st March 2017 to plan the training and dated 3 April 2017 has been submitted registration training 2 person boiler operators			

Verification 12 May 2017

The company showed MCU socialization on 28 April 2017 attended by 16 employees.
 Company shows sample of MCU result conducted in Amalia Medika hospital on 12 April 2017 as many as 120 people for general worker, laboratory and Nilo POM 1 process

Verification 14 May 2017

The Company demonstrates the sustainability organizational structure of the existing legal coordinator as the Executive appointed by the company in charge of LEGALITY and Renewal of the Latest Regulations in which the latest regulations will be distributed / notified to each unit in Riau Regional.

Health screening of MCU for April gardens will be held on April 29, 2017 and will continue for all employees.

Based on evidence of improvement shown then NC 2017.1 otherwise closed with observation.

Verified by : Leonada

NCR No.	: 2017.2.	Issued by	: Benli Manurung
Date Issued	: 5 April 2017	Time Limit	: 4 June 2017
NC Grade	: Major	Date of Closing	: 29 May 2017
Standard Ref. & Requirement	: 6.5.2 Labour laws, union agreement or direct contracts of employment detailing payments and condition of employment shall be available in the languages understood by the workers or explained carefully to them by a management official		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on field observations and interviews, known that there are are loose fruit picker in Block 7 Div 4 KNB 2 who admit working and do not have a contract with the company. The Company has not been able to show documentary evidence of bonding / labor relations associated with the loose fruit picker.			
Root Cause Analysis (filled by organization audited):			
The company is already banning work on harvesting wives but there are some harvests that do not comply with this rule.			
Corrective Action (filled by organization audited):			
<ul style="list-style-type: none"> - Issued a GM circular stating that all pickers are dismissed. - Target is reduced from 500 points to 300 points - Harvesters can join for more than their threats. - Harvesters are advised to make pairing - For harvesters who wish to bring a helper, a written letter to management should be given to the consideration of this helper PKWT. 			
Preventive Action (filled by organization audited):			
Socializing GM circulars to all workers. Establish a Nilo Estate Leadership Memo to conduct a multi-level monitoring checklist starting from the Mandor, Field Staff and Asst / Manager, to monitor if there are any unregistered brondolian / worker quotes including monitoring of violation sanctions.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification 16 and 29 may 2017			

Demonstrably memo from the head of Nilo Complex addressed to Sr. Manager / Manager KNB1, MnB2, NT1 and NT2 which contains instructions on collecting indirect energy negation brondolan and effective July 2017 and do:

- Issued a GM circular stating that all pickers are dismissed.
- Target is reduced from 500 points to 300 points
- Harvesters can join for more than their threats.
- Harvesters are advised to make pairing
- For harvesters who wish to bring a helper, a written letter to management should be given to the consideration of this helper PKWT.

Evidence of the dissemination of policy on May 13, 2017 in KNB2 division 3 which was followed by 66 participants and photo evidence of the implementation of the socialization. Evidence of the dissemination policy on May 13, 2017 at KNT2 divisions 7 and 8 which was participated by 43 participants and photo proof of the implementation of the socialization. Monitoring checklist of May 2017

Based on evidence of improvements indicated then the corrective action has been accepted and will be observed in the next audit.

Verified by : **Benli Manurung & Leonada**

NCR No.	: 2017.3	Issued by	: Leonada
Date Issued	: 5 April 2017	Time Limit	: ASA 4
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: Certification system 4.2.3 The unit of certification shall be the mill and its supply base		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on FFB received since RSPO certificate issued for Nilo POM 1, dated on 14 Mei 2014, known there were other sources of FFB that supply to Nilo POM 1 in 3 consecutive years. As an example of FFB from PT. Safari Riau, KKPA Safari Riau, KKPA Telayap, KKPA Sering dan KKPA Batang Nilo Kecil. Up to the time of surveillance 3 of these sources have not been shown the evidence meets the RSPO standard.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

3.5.2.2 Opportunities for Improvement

No	Ref Std	Descriptions
1.	2.2.2	Progress of HGU re-measurement to BPN
2.	5.3.2	Hazardous waste storage capacity
3.	4.6.5	Understanding of Material Safety Data Sheet (MSDS) to relevant officers.
4.	4.7.2	Workers transportation
5.	4.7.3	- Electrician training - PPE Monitoring
6.	4.7.5	Emergencies preparedness
7.	6.5.2	Industrial relations settlement.
8.	SCCS E.3.1	FFB Certified understanding.

3.5.2.3 Noteworthy Positive Components







No	Descriptions
1.	The certificate holder has obtain the Blue Proper certificate for 2015-2016.
2.	The Certificate holder has develop a Filter Belt Machine that use fir filter solid as organic material for fertilizing.
3.	The Certificate holder has a Nilo Mart that provides drinking water sources (Depot Water) for employees.

3.6 Summary of Arising Issues from Public and Auditor Verification.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> • Chairman of the Gender Committee <ol style="list-style-type: none"> 1) PT Adei P & I has a gender committee structure and each division of estate has a representative for employee complaints if there is violation case of women's rights 2) There are no complaints related to violations of women's rights or violence against women in the workplace 3) PT Adei P & I has granted the rights of women such as the right to maternity leave and menstruation leave 	<p>PT Adei P & I is committed to guarantee the rights of women, for example, the company has granted maternity leave and menstruation. Based on interviews with workers known that there are never happened of violence against women in workplace (see C6.8 and C6.9)</p>
<ul style="list-style-type: none"> • Union Workers <ol style="list-style-type: none"> 1) PPA workers have been provided by the company according to the need of workers 2) PT Adei P & I has been registering workers in BPJS programs 3) There is no child worker. The union understands the existence of company policy regarding child labor prohibition 4) There are unfinished employment termination issues 5) If there is a problem between worker and PT Adei P & I, the union always communicates with the company. 	<p>Response to point 1, 2 and 3. Based on field visits known that the workers had been given PPE which was appropriate for the result of work risk assessment. Based on the document review it is known that the workers have been registered in the BPJS program (see C6.5)</p> <p>Response to point 4. This has been verified by the auditor and becomes an observation (see C6.5)</p> <p>Response to point 5. Based on document verification known that if there are things that will submitted to company, the union held a meeting with the company (see C6.6)</p>
<p>Local contractor CV Kemang Berkah (Manuring and EFB Transporting)</p> <ol style="list-style-type: none"> 1) All activities preceded by mutual agreement, a copy is available to both parties, the agreement has been describe the right and their respective obligations including OHS aspect, mechanism of payment and term of payment. Before signing, the agreement prior be explained by the management unit to the contractor 2) Payment constantly made on time, the delay is only 1-2 days from the agreed 3) The evaluation of the contractor performed every month prior to making payments, the payment will be postponed if there is an obligation that is not being met, for example if the insurance of contractor's employees have not been paid and / or other OHS aspects that have not been fulfilled <p>PT Naga Berlian Sejati (Building and Renovation)</p> <ol style="list-style-type: none"> 1) The contractor has a copy of contract agreement with the company. In the contents of contract has explained about the volume of contracts, OHS aspect and methods of payment. Payments are usually made after the job is done Payment constantly made on time 	<p>Response to point 1 and 2. This has been verified by the auditor where the company has shown proof of contract.</p> <p>Response to point 3. The company has ensured that the contents of the contract are do by the contractor prior to payment.</p> <p>This has been verified by the auditor where the company has shown proof of contract.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Batang Nilo Kecil Village, Telayap Village and Sungai Buluh Village Village Head, Community Figure and Youth Figure.</p> <ol style="list-style-type: none"> 1. Good relationship, good communication. Communication and consultation mechanisms including mechanisms to address grievances and complaints have been understood. The response given by the company in the form of verbally and also with direct action. In charge personnel in communicating with the public has been assigned namely PR Staff and Estate Managers. 2. Most villagers realized the positive impacts, such as improved access roads and increased income from the previous livelihood just as a fisherman, but nowadays it almost entirely been a member of smallholders. 3. Assurances has been perceived by the community, the company has always responding to any proposal requests for assistance submitted by the public. 4. Each land disputes have been resolved, including land disputes that occur within the internal KKPA Telayap (among members of local and non-local), companies seeking mediation between the two parties with the involvement of relevant institutions, Parliament and the Regent. 5. The communities stated that there is a small stream which is currently changing shape since the establishment of the company, namely Jiat river and Batang Nilo river. 6. Mostly the communities also work in PT Adei Nilo Complex. 	<p>Response to point 1. Verified based on document review, communication to the community around done clearly and responded well by company (C6.2)</p> <p>Response to point 2 and 3. Preparation of CSR programme has been based on communication with the community through questionnaire, conducted on December 2016 (see C6.11)</p> <p>Response to point 4. It has been clear, the land dispute has been settled since 2016.</p> <p>Response to point 5. The company has been perform the environment management and monitoring in accordance with EIA matrix.</p> <p>Response to point 6. Has been verified through document review (employee master list and recruitment document)</p>
<p>Labour Agency Pelalawan District</p> <ol style="list-style-type: none"> 1. The minimum wage of 2017 has not yet been authorized by the agency 2. There are no cases of child labor 3. There are unfinished employment termination cases 4. Related cases of workers assisting harvesters (wives) have been disciplined in 2013/2014 	<p>Response to point 1. The company still refers to the minimum wage of 2016. 2017 minimum wage will be applied immediately if the regent of Pelalawan has legalized (See C6.5)</p> <p>Response to point 2. Based on employee list review known that there are no child laborers</p> <p>Response to point 3. This has been verified by the auditor and becomes an observation (see C6.5)</p> <p>Response to point 4. This has been verified by the auditor and becomes a nonconformity at Nilo Barat Estate (see C6.5)</p>
<p>Plantation and Livestock Agency Pelalawan District</p> <ol style="list-style-type: none"> 1. The company has reported mandatory reports 2. There has been no conflict of land disputes in PT Adei P & I Nilo Complex 	<p>-</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
National Land Agency Pelalawan District 1. There has been no conflict of land disputes in PT Adei P & I Nilo Complex	-
KKPA Sering - Relationships and communication are well established - FFB payments are always on time - Fixed FFB pricing based on Decision of Riau Plantation agency	This related to indicators 6.10.1 – 6.10.4

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> <table border="0" data-bbox="399 828 1356 1120"><tr><td data-bbox="399 828 718 918">PT Adei Plantation & Industry Management Representative</td><td data-bbox="1101 828 1356 918">Mutuagung Lestari Lead Auditor</td></tr><tr><td data-bbox="478 918 638 1008"></td><td data-bbox="1117 918 1340 1008"></td></tr><tr><td data-bbox="462 1008 654 1097"><u>Tan Kei Yoong</u> 29 May 2017</td><td data-bbox="1133 1008 1324 1097"><u>Leonada</u> 29 May 2017</td></tr></table>	PT Adei Plantation & Industry Management Representative	Mutuagung Lestari Lead Auditor			<u>Tan Kei Yoong</u> 29 May 2017	<u>Leonada</u> 29 May 2017
PT Adei Plantation & Industry Management Representative	Mutuagung Lestari Lead Auditor						
							
<u>Tan Kei Yoong</u> 29 May 2017	<u>Leonada</u> 29 May 2017						

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.	Labor Agency	Pelalawan District, Riau Province	-	Interview	29 March 2017	√	
2.	Environmental Agency					√	
3.	Plantation Agency					√	
4.	Labor Union					√	
5.	Local Contractor				√		
6.	Chairman of the gender Committee				1 April 2017	√	
7.	Batang Nilo Kecil Village				30 March 2017	√	
8.	Telayap Village					√	
	Sungai Buluh Village					√	
9	KKPA Sering	√					
10	WALHI	Indonesia	info@walhi.or.id	Email	March 23 rd 2017		√
11.	WWF		suhandri@wwf.or.id	Email		√	
12	JIKALAHARI		secretariat@jikalahari.org	Email		√	
13	AMAN		rumahaman@cbn.net.id	Email		√	
14	Masyarakat Peduli Lingkungan (Marpel)		lsmmarpel@gmail.com	Email		√	

Appendix 2. Assessment Program

DATE		PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
PLANNED TIME	ACTUAL DURATION		
Wednesday, 29 March 2017			
06.00 – 08.00	06.00 – 08.00	Jakarta - Pekanbaru	All team SSM LEO/SDP/BPR/BEN
08.00 – 12.00	08.00 – 12.00	Public consultation to relevant agencies Pelalawan	
08.00 – 11.00	08.00 – 12.00	Pekanbaru – Site PT. ADEI	
12.00 – 14.00	12.00 – 14.00	Break	
11.00 -12.00	14.00 – 15.00	Opening Meeting	LEO/SDP BPR/BEN
14.00 – 17.00		Field observation to Nilo POM 1 <ul style="list-style-type: none"> Implementation on supply chain requirement (FFB receiving, weigh-bridge, CPO despatch) Observation on OHS and environmental aspect (chemical storage, hazardous waste storage, workshop, hydrant, WWTP, WTP, and others) 	
Thursday, 30 March 2017			
08.00 – 12.00	08.00 – 12.00	Field observation to Nilo Barat 1 Estate: <ul style="list-style-type: none"> Best management practises – agronomy aspect and interview with worker (harvesting and transport, fertilizing, spraying, road maintenance, IPM, EFB application). Field observation on OHS and environment aspect (agrochemical storage, fertilizer storage, hazardous waste storage, fire fighting facility, domestic waste management and field observation related to implementation procedure and employment aspect 	SSM BPR/BEN
		Public consultation to surrounding community: communication, transparency, complaint/grievance mechanism and procedure, contract implementation.	
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 -17.00	Field visit if needed	All Team
		Document verification, basic info and verification NCR last audit (ASA 3)	
Friday, 31 Maret 2017			
08.00 – 12.00	08.00 -12.00	Field observation to Nilo Barat 2 Estate: <ul style="list-style-type: none"> Best management practises – agronomy aspect and interview with worker (harvesting and transport, fertilizing, spraying, road maintenance, IPM, EFB application). Field observation on OHS and environment aspect (agrochemical storage, fertilizer storage, hazardous waste storage, fire fighting facility, domestic waste management and field observation related to implementation procedure and employment aspect). 	SSM/BEN BPR
		Field observation on legal boundaries (legal ownership, legal boundaries) and observation on HCV area .	

DATE		PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
PLANNED TIME	ACTUAL DURATION		
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Field visit if needed Document verification, basic info and verification NCR last audit (ASA 3)	All Team
Saturday, 1 April 2017			
08.00 – 12.00	08.00 -12.00	Intrview with internal stakeholders (worker union, gender commity, local contractor)	All Team
12.00 – 14.00	12.00 -1 4.00	Break	
14.00 – 17.00	14.00 -17.00	Completing audit Checklist	
Wednesday, 5 April 2017			
08.00 – 09.00	08.00 – 09.00	Team auditor internal discussion (Closing Meeting preparation)	All Team
09.00 – 12.00	09.00 – 12.00	Closing Meeting	
12.00 – 16.00	12.00 – 16.00	Travel to Pekanbaru	
17.00 - ...	17.00 - ...	Pekanbaru – Jakarta	