

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : MANDAU Palm Oil Mill, PT ADEI PLANTATION & INDUSTRY subsidiary of KUALA LUMPUR KEPONG BHD.  
 Plantation Name : PT ADEI PLANTATION & INDUSTRY: KM 1, KM 2, KM 3, KM4, KM 5 and KM6  
 Location : Village of Muara Basung, Sub District of Pinggir, District of Bengkalis, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/021**  
 Date of Certificate Issue : 19 October 2017                      Date of License Issue : 19 October 2017  
 Date of Certificate Expiry : 18 October 2022                      Date of License Expiry : 18 October 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	10 – 15 July 2017	Sandra Purba (Lead Auditor), Moh Arif Yusni, Yohanes Hardian, Fuji Lestari, Satria Adi Putra	Ganapathy Ramasamy	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	17 October 2017

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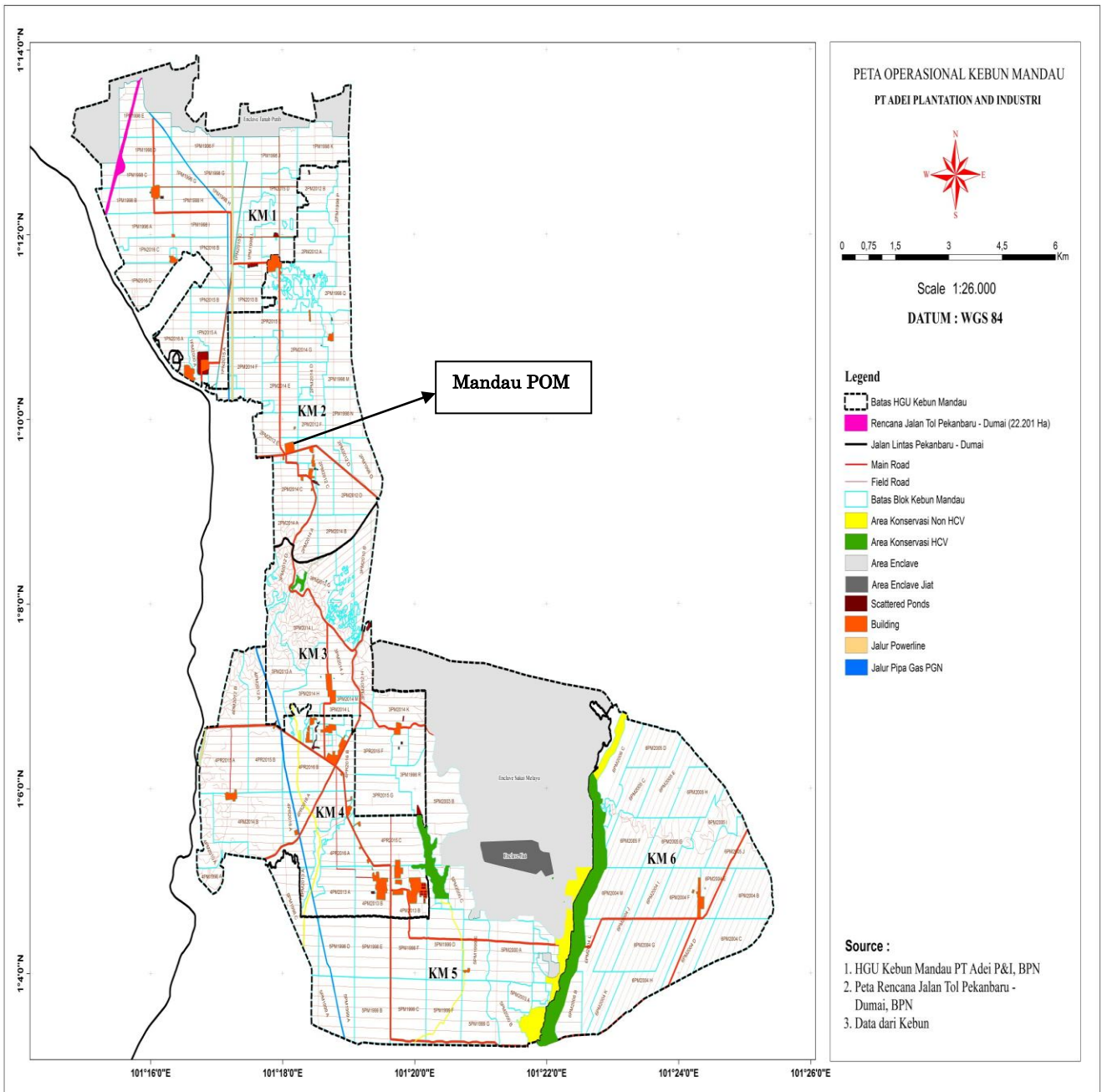
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Figure 1. Location Map of PT Adei Plantation & Industry – Mandau POM



Figure 2. Operational Map of PT Adei Plantation & Industry – Mandau POM



Abbreviations Used

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

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• RSPO P &amp; C Indonesian National Interpretation 2013, endorsed September 2016</li> <li>• RSPO Supply Chain Requirement for CPO Mill, 2014</li> <li>• RSPO Certification System June 2007, revised March 2011</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Adei Plantation & Industry, Subsidiary of Kuala Lumpur Kepong Bhd.	
1.2.2	Contact person	Stephen Tiong Mee Ing	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>• RSPO registered company: Wisma Taiko, 1, Jalan S.P. Seenivasagam, 3000 Ipoh, Perak, Malaysia</li> <li>• Liaison Office: Kompleks Pertokoan Taman Anggrek Blok B2 - B5, Jl. Tuanku Tambusai, Pekanbaru – Riau</li> <li>• Site: Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.</li> </ul>	
1.2.4	Telephone	+62-761-571885	
1.2.5	Fax	+62-761-571862	
1.2.6	E-mail	<a href="mailto:mi.tiong@klk.com.my">mi.tiong@klk.com.my</a>	
1.2.7	Web page address	<a href="http://www.klk.com.my">www.klk.com.my</a>	
1.2.8	Management Representative who completed the application for certification	Stephen Tiong Mee Ing	
1.2.9	Registered as RSPO member	1-0014-04-000-00, 18 <sup>th</sup> October 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply bases: Mandau Palm Oil Mill and 6 estates (Mandau 1, Mandau 2, Mandau 3, Mandau 4, Mandau 5, Mandau 6)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Mandau	Jl. Raya Pekanbaru - Duri km 101, Tenganau Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 04' 49"      E 101° 20' 08"
1.4.2	Location of Certification Scope of Supply Base		

Name of Supply Base	Location	Coordinate	
		Latitude	Longitude
Mandau 1	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 12' 30.7610"	E 101° 16' 3.3687"
Mandau 2	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 11' 90.7291"	E 101° 17' 47.7227"
Mandau 3	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 07' 11.7842"	E 101° 18' 40.9299"
Mandau 4	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 06' 37.1461"	E 101° 18' 36.4449"
Mandau 5	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 04'52.8890"	E 101° 19' 25.9473"
Mandau 6	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 04'59.5364"	E 101° 24' 19.3583"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	<b>14,837.64 Ha</b> <i>The differences of hectareage between the previous scope and current scope due to the release of acreage to the state for the construction of toll road (explained on IND 2.2.1)</i>
	• Community	- Ha

1.5.2	<b>Area Statement</b>	<b>Mandau 1</b>	<b>Mandau 2</b>	<b>Mandau 3</b>	<b>Mandau 4</b>	<b>Mandau 5</b>	<b>Mandau 6</b>	<b>Total</b>	
	• Total area	2,942.85	2,137.10	1,446.06	1,943.27	3,924.66	2,443.69	<b>14,837.64</b>	Ha
	• Mature area	1,208.00	1,949.00	1,193.00	904.00	1,962.00	2,171.00	<b>9,387.00</b>	Ha
	• Immature area	763.00	-	220.00	919.00	-	-	<b>1,902.00</b>	Ha
	• Emplishment/ Infrastructure/ Mill	23.00	24.00	22.00	67.00	1.00	68.00	<b>205.00</b>	Ha
	• HCV	-	-	5.90	14.10	38.02	178.50	<b>236.52</b>	Ha
	• Conservation	935.00	134.10	2.90	29.70	1,918.30	26.19	<b>3,046.19</b>	Ha
	• Caltex road	-	30.00	-	-	-	-	<b>30.00</b>	Ha
	• National Gas Company	13.85	-	2.26	9.47	5.34	-	<b>30.93</b>	Ha

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year								
	<b>Planting Year</b>	<b>Hectareage (Ha)</b>							
		<table border="1"> <tr> <td><b>Mandau</b></td> <td><b>Mandau</b></td> <td><b>Mandau</b></td> <td><b>Mandau</b></td> <td><b>Mandau 5</b></td> <td><b>Mandau</b></td> <td><b>Total</b></td> </tr> </table>	<b>Mandau</b>	<b>Mandau</b>	<b>Mandau</b>	<b>Mandau</b>	<b>Mandau 5</b>	<b>Mandau</b>	<b>Total</b>
<b>Mandau</b>	<b>Mandau</b>	<b>Mandau</b>	<b>Mandau</b>	<b>Mandau 5</b>	<b>Mandau</b>	<b>Total</b>			

	1	2	3	4	6		
<b>Mature Area</b>							
1998	1,194.00	455.00	65.00	107.00	486.00	2,307.00	
1999	-	-	-	-	858.00	858.00	
2000	14.00	17.00	-	-	325.00	356.00	
2001	-	-	31.00	-	-	31.00	
2002	-	37.00	-	-	-	37.00	
2003	-	17.00	-	-	204.00	221.00	
2004	-	-	30.00	-	24.00	1,188.00	
2005	-	16.00	16.00	33.00	53.00	964.00	
2006	-	-	-	-	12.00	176.00	
2007	-	-	-	-	-	27.00	
2010	-	122.00	100.00	86.00	-	308.00	
2011	-	-	86.00	16.00	-	102.00	
2012	-	493.00	248.00	172.00	-	913.00	
2013	-	-	129.00	270.00	-	399.00	
2014	-	657.00	488.00	220.00	-	1,365.00	
2015	-	135.00	-	-	-	135.00	
<b>Immature Area</b>							
2015	409.00	-	220.00	476.00	-	1,105.00	
2016	354.00	-	-	443.00	-	797.00	
<b>TOTAL</b>	<b>1,971.00</b>	<b>1,949.00</b>	<b>1,413.00</b>	<b>1,823.00</b>	<b>1,962.00</b>	<b>11,289.00</b>	
1.6.2	New Planting area after January 2010					Ha	
1.6.3	Planting Cycle					1 <sup>st</sup> Cycle	
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Mandau	60	210,267.89	46,555.27	22.14	9,972.25	4.74
	<i>*Source: FFB processing data in Mandau POM July 2016 – June 2017</i>						
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)	%
	Mandau 1	2,942.85	1,971.00	31,638.78	26.19	31,638.78	100
	Mandau 2	2,137.11	1,949.00	31,290.17	16.05	31,290.17	100
	Mandau 3	1,446.06	1,413.00	14,897.31	12.49	14,897.31	100
	Mandau 4	1,943.27	1,823.00	11,468.85	12.69	11,468.85	100



	Mandau 5	3,924.66	1,962.00	50,401.86	25.69	50,401.86	100
	Mandau 6	2,443.69	2,171.00	59,335.92	27.33	59,335.92	100
	<b>TOTAL</b>	<b>14,837.64</b>	<b>11,289.00</b>	<b>199,032.89</b>	<b>21.20</b>	<b>199,032.89</b>	100
*Source: FFB production data from July 2016 – June 2017							
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (tonnes/year)</b>		
	CV Abadi Mandiri	Independent Outgrower (non certified)	-	-	5,497.00		
	CV Sejahtera Jaya	Independent Outgrower (non certified)	-	-	373.00		
	CV Putra Mandau	Independent Outgrower (non certified)	-	-	5,365.00		
	<b>TOTAL</b>						<b>11,235.00</b>
*Source: FFB received data in Mandau POM from July 2016 – February 2017 Mandau POM has implemented IP since 10 April 2017							
1.7.4	Product categories			FFB, CPO, PK			
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 19 Oct 2016 to 18 Oct 2017 (tonnes/year)		Actual certified product 19 Oct '16 – 10 July '17 (tonnes/year)	
	• FFB Production			186,429.00		147,546.93	
	• CPO Production			41,946.00		33,228.9	
	• Palm Kernel (PK) Production			10,254		7,058.47	
1.8.2	Product selling						
	Tonnage of selling product			Actual selling product period 19 Oct '16 – 10 July '17 (tonnes/year)			
	• CSPO			60 MT			
	• CSPK			6,104.6 MT			
	• CPO under other scheme trading (ISCC)			33,398.9			
	• CPO under conventional trading (if any)			34,348.9			
	• PK under other scheme			-			
	• PK under conventional trading (if any)			1,118.3 MT			
1.8.3	Estimate of Certified FFB Claim						
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Mandau 1	2,942.85	1,971.00	16,457.00	8.35		
	Mandau 2	2,137.11	1,949.00	18,949.00	9.27		
	Mandau 3	1,446.06	1,413.00	14,438.00	10.22		
	Mandau 4	1,943.27	1,823.00	17,920.00	9.83		

	Mandau 5	3,924.66	1,962.00	52,149.00	26.58			
	Mandau 6	2,443.69	2,171.00	59,861.00	27.57			
	<b>TOTAL</b>	<b>14,837.64</b>	<b>11,289.00</b>	<b>179,774.00</b>	<b>15.92</b>			
<i>*Projected FFB production for July 2017 – June 2018</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Mandau	60	179,774	41,348	23.0	8,988	5.0	MB & IP
<i>*Projected FFB production for July 2017 – June 2018</i>								
<b>1.9</b>	<b>Other Certifications</b>							
	ISCC			CertificateNo.: EU-ISCC-Cert-DE105-83153904 (valid from 4 May 2017 – 3 May 2018)				
	Others			ISPO: MUTU-ISPO/030 (9 September 2014 – 8 September 2019)				
<b>1.10</b>	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>MANAGEMENT UNIT</b>		<b>LOCATION</b>		<b>Coverage Area (Ha)</b>	<b>Time Bound</b>	<b>Status</b>	
	<b>P O M</b>	<b>Estate (Supply Base)</b>						
<b>INDONESIA</b>								
	Berau POM *)	Malindomas Perkebunan	Berau, Kalimantan Timur		7,971	2014	2017	
		Hutan Hijau Mas	Berau, Kalimantan Timur		7,288	2014	2017	
	Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur		14,086	2014	2017	
	KMA POM *)	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah		13,127	2014	2017	
	MAP POM *)	Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah		6,399	2014	2017	
		Mulia Agro Permai	Baamang, Kalimantan Tengah		9,056	2014	2017	
	Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung		14,065	2012	Certified	
	Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung		3,990	2013	Audited 2013	
		Alam Karya Sejahtera	Belitung, Bangka Belitung		6,012	2013	Audited 2013	
	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 due to technical reason				
<b>PENINSULAR MALAYSIA</b>					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, Johor	2,977	2011	Certified
	Bandar Tenggara	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, Johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pedas	Pedas, Negri Sembilan	923	2012	Certified
		Gunung Pertanian	Simpang Durian, Negri	686	2012

		Sembilan			
	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
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	PT ADEI Plantation & Industry Mandau Estate has no associated Smallholders Scheme ther is only independent FFB suppliers, so there is no plans to put others sources into certification scope of Mandau POM.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC</b>	<p>1. <b>Sandra Purba (Lead Auditor)</b>. Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verifcator and validator training, and 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 as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. In this audit activity conducted on Legality aspect, land dispute and SCCS.</p> <p>2. <b>Moh Arif Yusni</b>. Indonesian citizen, bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection) Faculty of Agriculture. He has a working experience for 2 (two) years since 2010 as Operational staff in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. Training attended: ISO 19011, ISO 9001; ISPO 14001, RSPO Lead Auditor, ISPO Lead Auditor, OHS Expert, OHS Auditor based on National Government No 50 year of 2012. Since 2012 has been following many audit as auditor for ISPO and RSPO Scheme for several aspect, such as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. In this audit activity conducted on BMP, OHS and worker welfare.</p> <p>3. <b>Fuji Lestari</b>. Bachelor of Agriculture Department of Agribusiness Management, Politeknik Negri Jember. The training that has been followed is ISPO Auditor Training, ISO 9001: 2008 Training, ISPO legal reporting and reporting, ISO 17021 and ISO17065 Training, ISO 14001: 2005 Training, IHT Palm Oil Processing, IHT Peatland Management, IHT Pest and Plant Disease Control, OHSAS 18001, Social IHT and IHT Mapping. In this audit activity conducted on transperancy and social aspect.</p> <p>4. <b>Yohanes Hardian</b>. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitattion project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RPO And ISPO Since 2014. In this audit activity conducted on land dispute, HCV and GHG Calculation.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	<p>Number of auditors : 4 auditor          Number of days for <b>RC</b> at site 5 Days          Number of working days for <b>RC</b> at site 20 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation &amp; Industry to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production of Sustaianble Palm Oil 2013 for Indonesia July 2016, approve RSPO Governors September 30,2016- and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill)</p>

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **RC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase **ASA-1**.

Improvement of findings from main assesment findings were observed by auditors at this **ASA-1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1**

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**RC**

The number of management units are 6 Estates (3 estates in Mandau Selatan and 3 estates in Mandau Utara) that supplies FFB toMandau palm oil mill. In conducting the assessment, auditor team use the formula  $0.8\sqrt{y}$  to determine level of sampling and consider the issues that arising from the stakeholders. Based on this formula, the auditor team was determine the location of the sample is 1 unit mill and 3 Estates (KM 1 Estate, KM2 Estate and KM6 Estate).

**Mandau 1 Estate**

1. **Block 15 C Division 3 Mandau 1 Estate.** Field observations and interviews with foremen and workers of spraying activities.
2. **Blok 98G.** Observation of MOP fertilization activities. Number of fertilizer teams 26 people. Field observation results, workers can demonstrate the procedure of fertilization according to the established procedure. Workers have also been provided by PPE.
3. **Block 98J.** Observation and interviews with harvesting and harvest foremen.
4. **Landfiil, KM1.** Domestic waste management.
5. **Fire fighting facility for Kebun Mandau Selatan complec:** All fire fighting facilities located at Central Workshop of KMS 1 estate. All fire fighting facility were ready to use.
6. **Housing complex KM1.** Observation and interview with employee regarding to housing facilities, domestic waste management, infrastructure and company policy's implementation.
7. **Chemical Warehouse Mandau 1 Estate.** Conducting interviews related to aspects of employment, Occupational Safety and Environment. Verification related to the availability of chemicals.
8. **Workshop.** Conduct interviews and verifications related to aspects of employment, Occupational Safety and Environment.
9. **Scheduled waste storage.** Conducting interviews related to aspects of employment, Occupational Safety and Environment. Verify the environmental policy application.
10. **Reservoir of POM, PE14 Block:** The management and maintenance of HCV area was conducted in natural reservoir area for the processing activity in POM and other use. Boundary demarcation in two rows of palm trees in the left and righth of Reservoir area
11. **Boundaries Pole Number BPN 172; BPN 168, BPN 174 Blocks 2012 A; BPN 43 Blocks 1998 C** Observation on legal boundaries and maintaining of plantation borders.

**Mandau 2 Estate**

12. **Block 98M.** Observation and interview with harvester (4 Persons) and harvesting foreman related to application of aspects of OHS, employment and harvesting procedures.
13. **Division 3.** Observation and interview with spray workers related to employment aspect, OHS and standard working procedure of spray. Workers have been regularly checking health (spirometry and cholinestrace), workers have been given PPE.

14. **Chemical Warehouse Mandau 2 Estate.** Conducting interviews related to aspects of employment, Occupational Safety and Environment. Verification related to the availability of chemicals.
15. **Housing Mandau Estate 2.** Conducting interviews related to the employment aspect. Verification related to the provision of facilities and infrastructure for workers.
16. **BPN 177, Blocks 2012 A, BPN 07; BPN 08 Blocks 2012 A and BPN 42 Blocks 1998 B;** Observation on legal boundaries and maintaining of plantation borders.

#### Mandau 6 Estate

17. **Block 27 Division 23.** Observation and interviews with harvesting and harvest foremen.
18. **Blok 2005J.** Observation of MOP fertilization activities. Number of fertilizer teams 9 people.
19. **Block 2004 J.** Field observations and interviews with foremen and workers of spraying activities (Asystasia intrusa). Based on these results it is known: the worker has been equipped with sufficient PPE (helmets, masks, gloves, apron, boots), the foreman is equipped with first aid kit and understand first aid.
20. **Block 05F. Observation and interview with Transport FFB.** Workers know about working procedure, the worker has been equipped with sufficient PPE (gloves and boots).
21. **Block 05J.** Utilization of solid waste of oil palm (Baltpress, Solid and EFB)
22. **Central Fertilizer Storage of North Mandau complex in KMS 6 estate.** Fertilizer stocks have been all kept separated from other materials, isolated from surrounding environment, has proper ventilation. Safety signboard available and all items has been arranged by category. Material Safety Data Sheet (MSDS) available for all materials.
23. **Landfill, KM6.** Domestic waste management.
24. **HGU boundary markers number** No 55 Blok 2005 H, No 79 Blok 2004 B, No 81 Blok 2004 B, No 82 Blok 2004 C. All HGU markers were in good condition and well maintained. Company established ditch to prevent FFB stealing
25. **Boundary river penaso KM 5.** Observation sign board and no chemical used
26. **Boundary water source Mill.** Observation sign board and no chemical used
27. **Chemical Warehouse Mandau 6 Estate.** Conducting interviews related to aspects of employment, Occupational Safety and Environment. Verification related to the availability of chemicals.
28. **Housing Mandau 6 Estate.** Conducting interviews related to the employment aspect. Verification related to the provision of facilities and infrastructure for workers.
29. **Block 05A KM5.** Observation of enclave area of sakai ethnic, the enclave area has been planted by community and has made canal as marking boundary with company area

#### Mandau POM

30. **Loading Ramp Mandau POM:** Observations and interviews on how grading, sampling up to the criteria in grading FFB
31. **Waste Water Treatment Installation (WWTP).** No indication of leakage to natural water ways as all outer dykes were all maintained. There's appropriate safety signboard or fences to prevent peoples from breaking in to the ponds.
32. **Processing stations (sterilizer, thresher, tippler, boiler, engine room, water treatment plan, hazardous material, hazardous waste material and despatch station).** Observation and interview with operator in each stations regarding to working competency, implementation of OHS and environmental management, payments and awareness of company's policy.
33. **Security Post.** Conducting interviews related to aspects of employment and OSH.
34. **Water Treatment.** Observation on implementation of environment and OHS aspect as well as the mechanism for measuring water use.
35. **Workshop.** Observation and interview regarding on OHS aspect implementation, maintenance procedure and training.
36. **Chemical storage.** Observation of chemical management, the MSDS are available on place, interview with the personnel in charge regarding to the procedure implementation and OHS aspect.
37. **Scheduled hazardous storage.** Observation of waste management, the emergency equipment are available on place, interview with the personnel in charge regarding to the procedure implementation and OHS aspect.



	<p><b>38. Hydrant.</b> Inspection of emergency preparedness equipment.</p> <p><b>Public Consultation:</b></p> <p><b>39. Relevant agencies in Bengkalis.</b> Environment Agencies, Labor Agencies and Plantation Agencies</p> <p><b>40. Surrounded communities.</b> Penasoh Village, Jiat, Koto Pait Village and Antutui Village</p> <p><b>41. Local NGO.</b> Head of Sakai Community</p> <p><b>42. Internal stakeholder.</b> Company's employee (pesticide operator, harvester, manuring team, IPM officer/foreman, harvest clerck, store keeper, mill operator, electrician, heavy equipment operator, workshop team, land application operator, security), gender committee and labor union</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Adei Plantation &amp; Industry was held by: Public Notification 30 days on RSPO website and Mutuagung Website before Assesment on 6 June 2017</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <p>Numbers of input from stakeholders were clarified by PT Adei Plantation &amp; Industry – Mandau POM</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b>Please find appendix 1</b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit <b>ASA-1</b> will be determined one year after this <b>Recertification</b> (October -2018).

**3.0. ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of MandauPOM – PT Adei Plantation & Industry Subsidiary of Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and six (6) oil palm estates.

During the assessment, there were Two(2) Nonconformities were assigned against Major Compliance Indicator(s), One (1) nonconformity was assigned against Minor Compliance Indicator and Five (5) 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 had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that MandauPOM – PT Adei Plantation & Industry Subsidiary of Kuala Lumpur Kepong Bhd complied with the requirements of **RSPO P & C Indonesian National Interpretation 2013, endorsed September 2016, RSPO Supply Chain Requirement for CPO Mill, 2014 and RSPO Certification System June 2007, revised March 2011**

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

1.0 Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>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.</b>		
<p><b>Indicator 1.1.1</b>            The company has stakeholder list which has been updated on May 16, 2017. Based on interview with management, known that the stakeholder list will be updated by phone if there is any change. The company also has document list which can be accessed by public for each management unit.</p> <p>Mechanism related to the information is written in SOP no.1. There is mechanism of delivering and responding information, along with the period of giving response. The PR staffs responsible for recording and responding information request.</p> <p>Based on interview with Environment Agency, Plantation and and Agriculture Agency of Bengkalis District, known that stakeholder knows the way to access information. Communication done verbally or in writing So far, communication done only about supporting request.</p> <p><b>Indicator 1.1.2</b>            In SOP No.1 Rev.2 dated on August 1, 2013 about information and response request, mechanism of in writing information request (in writing information request from stakeholder must be noted in a Log book, make sure the information disposition based on master list of document), verbally (verbally information request from stakeholder must be noted in a Log book, make sure the information disposition based on master list of document), and giving information to the related agencies (the whole routine report must be delivered to the agencies on time). The PIC is Manager, Head of Administration, Assisstant and PR. It must be done in 15 days.</p>		

The record of information request save in disposition book. In the log book, there no there is no information request until the audit conducted. There is only proposal of supporting request from the villagers.

Status: Comply

**1.2**

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

**Indicator 1.2.1**

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

The registered documents are placed in head office and in each estate. The company has public document and accessable such as mandatory report sent by the company to the related agency.

Status: Comply

**1.3**

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

The commitment against the ethical behavior in all the operation and transcation activities stated in Behavior guidelines of employees dated on October 1, 2014. The ethical behavior stated at point 4.6 about the obedience against law.

The company has socialized related to the ethical behaviour policy to the employees and staff. It is done by each assistant in every morning briefing. This is also socialized non-verbally by placed the policy in each estate office, mill and head office.

Based on interview with staff of estate office and head of administration, employees representative in housing of KM1 and KM2, generator operator of KM6, known that the employees have known and understood the ethical behavior policy.

Status: Comply

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

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

**2.1.1, 2.1.2**

Provided the list of law and regulations that relevant with mill and estates operational activities, the copy are avialible in each units, the latest update on 30 June 2017. In the list has been covering the regulation published between 2015-2017 and the last evaluation conducted on 1 July 2017.

Sighted the evidence of compliance with regulations, for example:

- OHS Act No 1/1970 and Permenakertrans No 1/2010, the entire employees has been use the appropriate PPE during work, has been trained regarding to the working in noise area and regularly conduct audiometry test for workers who exposed to noise, spirometry test for workers who exposed to dust and cholinesterase /blood test for workers who exposed to chemical. In addition, the company regularly conduct the testing the quality of workplace environment both physics and chemical in collaboration with accredited lab, the test results are reported in the RKL / RPL.
- Permenker No 1/2017 and Riau Govenor's Decree No. 120/20017 on minimum wages, all employees has been paid in accordance with applicable provisions
- Labor Minister Decree No 12/2015, the company has an OHS certified electrician
- The company already has the latest AMDAL (after convert from rubber to OP) issued in 2017, the scope is 14900 Ha.
- Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations, the entire managed area is in the HGU, already has IUP and conversion license from rubber to OP.
- All the engineers and operators has been authorised by the relevant institution, for e.g.:

- ✓ Abdul Cholil as electrician, no lisencc : 13.P.09.005.OP.D.K3-PTP/IX/2013
- ✓ M. Mahyudin S. as boiler operators, no of lisencc : 13.P.09.642 OPK3-PUBT-B.I/IX/2013
- ✓ Lifting and carrying equipment operators as much as 10 operators, e.g.: Shafrudin, lisencc no.: 13.25177-OPK3-PAA/VIII/2013

The Company has not been able to show evidence of compliance with Kepmenakertrans No. 102 of 2004 on overtime and overtime payment. Based on document verification on list of overtime calculation period of May and June 2017 and result of interview with Management Representative known that there were security personnel in Mandau POM who work (overtime) on weekly rest (Sunday) for 16 hours, and the calculation method of overtime wage used is in accordance with applicable regulation. **NCR No 2017.01**

**2.1.3, 2.1.4**

Provided in the SOP No 2 (compliance with applicable laws and regulations), issued on 1 August 2015, describe:

- Document and record that must be stored is a list of regulations, checklist of certificates and licenses, checklist of periodic report, list of information on legal and regulatory requirements.
- Internal and external audit are conducted to ensure that things have not been met and will be corrected as soon as possible
- Evaluation of legal compliance is conducted every 6 months
- Updating regulations is done through communication with KMSI, GAPKI, mass media. Each regulatory update is delivered to operating centre, PD/GM/RD/MA and PR are responsible for this.
- Evaluation is conducted every 6 months and during internal and external audit activities, GM / MA / PR is responsible for this.

An example of an internal audit activity dated June 19, 2017, corrective action has been taken by the company to the nonconformities identified, and during the recertification it is no longer found.

<b>Major 2.1.1.</b>	<b>Status: NCR No 2017.01</b>
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**2.2**

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

**2.2.1**

The company already have land tenure rights, namely BPN Head Decree No.: 12/HGU/1990 dated 10 July 1990 covering 14.900 Ha, valid since 10 July 1990 s/d 31 December 2020, consist of 3 certificate:

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

The total of HGU at the time of recertification is **14,837.641 Ha.**

**2.2.2**

HGU boundary map can be shown, issued by PT AAR Indonesia on May 27, 2013, based on the map the number of marker is 68 poles in total.

The company has been monitored the boundary poles on a regular basis (once a year) in accordance with the SOP, monitoring report presented in the sampled unit (KM1, KM2 and KM6).

Based on field observation known that all boundary poles are available and maintained well, the position of the poles has been checked using GPS and it is in accordance with the coordinates set by BPN. For example: KM1 (BPN172, BPN168, BPN43, BPN174), KM2 (BPN177, BPN07, BPN08 and BPN42).

**2.2.3, 2.2.4, 2.2.5, 2.2.6**

There are no open land dispute / being processed at this time.

The entire land disputes and conflict with communities have been resolved by the company in 2004. In the statement area there is areas with the status of enclave, where the area is a community land that is not willing to be compensated, the actual area is managed by the community and has agreed not to interfere with each other. All land dispute settlement and compensation settlement documents have been verified during ST2 - ASA-4.

Provide the SOP for land dispute settlement namely SOP No 26, issued on 1 August 2013, describes the mechanism of

<p>settlement of border land disputes, land occupation disputes, social issues. In the procedures has explained the methods of FPIC. Provided the enclave map scale of 1:80000, issued by PT AAR Indonesia on Feb 2017. Based on the results of field observations and interviews with communities in Penasoh Village (Jiat), Koto Pait Village and Antutui Village, mentioned that currently there is no conflict between the community and PT Adei and there is no intimidation and other violence against the community.</p>	
<p><b>Status: Comply</b></p>	
<p><b>2.3</b> <b>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.</b></p>	
<p><b>2.3.1, 2.3.2, 2.3.3, 2.3.4</b> Provide the SOP for land dispute settlement namely SOP No 26, issued on 1 August 2013, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area. The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru), the document has been verified during the ST-2 till ASA-4.</p> <p>There is no new development and expansion by PT ADEI, it is in accordance with the results of consultations and interviews with village communities around the company (Penasoh Village, Jiat, Koto Pait Village and Antutui Village).</p>	
<p><b>Status: Comply</b></p>	
<p><b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b></p>	
<p><b>3.1</b> <b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b></p>	
<p><b>3.1.1</b> The Company already has five year plan (period 2017-2022) which includes five year forecast of production, OER, Kernel forecasts and financial forecast company.</p> <p>The Company has presented the financial statements audited by a public accountant, done in accordance with Financial Accounting Standards in Indonesia, the financial statements present fairly. The management review are done routinely, for example provided the latest minute of management review meeting held on December 21, 2016. The meeting discussed production achievement, review of the costs/financial, and internal audit result. The company also has a SOP 50 for monitoring to increase best practices.</p>	
<p><b>3.1.2</b> Based on planting year data and interview with management representative known that the replanting not planned yet due to the crops are still in the productive age. However there is a conversion from rubber to oil palm in 2009-2015 an area of 2,854 hectares at the South Mandau Estate and 2,123 hectares in the North Mandau Estate. The company can show the documentation of the conversion progress in South and North Mandau Estate, for example documentation on period of April 2016.</p>	
<p><b>Status: Comply</b></p>	
<p><b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b></p>	
<p><b>4.1</b> <b>Operating procedures are appropriately documented and consistently implemented and monitored.</b></p>	
<p><b>4.1.1</b> The company already set the SOP for all operating activities in both of plantation and mill, as follows:</p> <ul style="list-style-type: none"> <li>✓ <b>SOP for Estate</b> <ul style="list-style-type: none"> <li>- No Policy: GP / AGRIC / OP1 set about harvesting standards, FFB calculation records, FFB production collection and Ablation</li> <li>- No Policy: GP/ AGRIC / OP2 regulates the prune of oil palms, circle weeding maintenance, land maintenance, epiphytes and harvesting path</li> <li>- No Policy: GP / AGRIC / OP3 regulates handling of urea fertilizer, fertilization prior to replanting and special</li> </ul> </li> </ul>	

compound fertilization

- No Policy: GP / AGRIC / OP4 set about the control of rat pest attack, ganoderma control, control of horn beetle and handling of pests and diseases in nursery.
  - No Policy: GP / AGRIC / OP5 set about trench water (Silt Pit), soil conservation and nutrient leaching on mature area, making of individual terrace,
  - No Policy: GP / AGRIC / OP6 set on mulch for oil palm crops
  - No Policy: GP / AGRIC / OP7 regulating the fence for new re-planting areas, pre-harvesting of old palm oil plants, slash and destruction of old palm oil biomass, oil palm planting on individual terraces
  - No Policy: GP / AGRIC / OP8 on oil palm seeding techniques, bad seed selection on seeds and (tissue seedlings)
  - No GP Policy / AGRIC / OP9 set about block-specification numbering
  - No GP / AGRIC / OP10 Policy on road maintenance, road construction, concrete and concrete pipe and bridge
- ✓ **SOP for Mill** → SOP for Mill Operation covered Weigh Bridge Station, Loading Ramp Station, Sterilizer Station, Tippler and Thresher Station, Digester Station, Press Station, Oil Room Station, Depericarper Station, Kernel Stations, Silo Kernel, CPO Storage Tank and Despatch CPO, Despatch of Kernel, Boiler House, Power Plant, Mulching EFB Station, Workshop, Warehouse SOP SOP of Liquid Wastewater Pool Management
- ✓ Safe working practices in the mill contained in the document procedure specified to each station, for e.g. SOP for Chemical handling for Water Treatment Plant which explains among others use PPE such as rubber gloves, masks and shoes and make sure the chemicals do not spill or leak .
- ✓ The company has SOP of safe working practices and pesticide applications listed in SOP 5 on safety of use chemicals including hydrocarbons, explained the mandatory use of PPE during work, cleaning after work using chemicals and conduct periodic health checks.

Based on interviews with estates and mill employees such as operators, store keeper, spraying team and harvester known that the employees has been understood the SOP including the safe working aspect and has used appropriate PPE.

#### **4.1.2, 4.1.3**

The company has internal monitoring system (internal audit) to monitor the implementation of SOP, for example, harvesting audit was conducted on April 4, 2017 by an internal audit team in Mandau Estate and Mandau Mill.

Based on interviews with management, its known that audit activities are conducted at intervals such as :

- Harvesting audit (every 4 month)
- Fertilizer audit (every 4 month)
- Periodic audit from Internal Estate every month and submitted to the group manager
- Periodic audit from management review every year to palm oil mill.
- Monthly inspection from internal Palm Oil Mill every month and submitted to manager by email

The Company has internally measured monitoring and records contained in the Progress Report for all Estate.

Records of corrective actions are contained in the Estate and Mill Audit Responses dated 17 and 21 April 2017. The document contains an explanation of the root causes, corrective actions, preventive actions, responsibility, non-conformance settlement targets and completion status, based on the findings of the internal audit on April 04, 2017.

For example, the response of management review on December 21, 2016 such as there were people who entered the palm oil mill effluent area and there are no portals and sign boards. Corrective actions and prevention to make it does not happen again, the palm oil mill made a signboard and conducted socialization.

#### **4.1.4**

The Company does not receive FFB supplies from third parties, all FFB processed in the mill comes from its own estate (KM1-KM6). Based on field observations on grading, security and weighbridge as well as interviews with personnel in the FFB reception it is explained that since February 2017 Mandau POM did not receive and processed FFB from third parties.

	<b>Status: Comply</b>	
<b>4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b>		
<p><b>4.2.1</b> The Company has SOP of soil fertility management with No. Policy: GP / AGRIC / OP3 dated May 16, 2017. SOP has been implemented and monitored, for example Ammonium Sulfate fertilizer plan in all blocks of Mandau 6 Estate in April 2017 was 2,183 Ha, while the realization was done in May-June 2017 covering 1,163 Ha (53.27%).</p> <p>Based on interviews with fertilizer employees in Mandau 1 Estate, known that the employees understands the SOP and they has used Personal Protection Equipment (PPE) as required.</p> <p><b>4.2.2</b> The Company has recording of fertilizer application listed in the Annual Oil Palm Fertilizer Program 2016/2017, the recording contains information such as determination of fertilizer block, application area, type of fertilizer to be applied, dose, total tonnage and cost / ha. Based on interviews and observation of MOP fertilization activities in Block 98 G Mandau 1 Estate, on July 12, 2017, Its known that the results of fertilization activities on that day are documented and reported by field staff and approved by field Manager. The company has record of fertilizer used per ton FFB. For example, in Mandau 1 Estate used 1,042.37 ton fertilizer, FFB production 3,362.79 tons (40 kg/ton FFB).</p> <p><b>4.2.3</b> The Company has SOP of Soil Fertilizer Management for Productivity (SOP 12, revision dated August 1, 2013) which explains on soil and leaf analysis. Schedule, type and dosage of fertilizer used followed the AAR recommendations based on the results of leaf (once a year) and soil analysis (once in 3 or 5 years). The results of the sampling are contained in the document Oil Palm Manuring Recommendation 2016/2017 for PT Adei Plantation &amp; Industry, informs among others : visual observation record, number of leaf sampled (74 leaf samples), parameter tested (nitrogen, phosphate, potassium, calcium, magnesium and boron), number of block sampled (19 blocks, with the position of sampling is in the circle, inter row and harvesting path at the depth of 0-15 cm and 15-45 cm).</p> <p><b>4.2.4</b> The company has implemented recycling of nutrients such as solid, baltpress, empty fruit bunch, shell and fiber. Strategy to recycle nutriens such as:</p> <ul style="list-style-type: none"> <li>- Application of EFB in March 2017 was 132,48 Ton (2.77 Ha) with settlement percentage of 20,38%</li> <li>- Application of Palm Oil Mill Enfluence in June 2017 to Mandau 1 Estate (volume : 22.212 m<sup>3</sup>)</li> <li>- Application of Solid waste in June 2017 to Field 04B (14 hectares), 05F (12,97 hectares) and 05G (11,83 hectares).</li> </ul>		
	<b>Status: Comply</b>	
<b>4.3 Practices minimize and control erosion and degradation of soils.</b>		
<p><b>4.3.1</b> Based on the Soil Type Distribution Map (scale of 1 : 120.000) owned by PT. Adei Plantation &amp; Industry and the result of soil sample analysis conducted by PT. Applied Agricultural Resources (AAR) Indonesia, there is no marginal land nor critical land within the area of PT. Adei Plantation &amp; Industry. Generally, the soil type is sandy clay.</p> <p>Based on Soil Type Map(scale 1: 20.000) known that the soil types consist of <i>Ultisol</i>, <i>Inceptisol</i> and <i>Oxisol</i> which are categorized as mineral sandy clay soil. Meanwhile, according to association of soil grup of land unit, it is classified as <i>Kandiudults</i>, <i>Dystropepts</i>, <i>Hapludox</i>, <i>Tropaquepts</i>, and <i>Tropaquods</i>. There is no peat soil within the area of PT Adei Plantation &amp; Industry.</p> <p><b>4.3.2</b> In the SOP No.13 on Erosion Control describes the management of slopes and steep terrain such as the making of contour terraces, planting of ferns in inter row, midterm composting techniques, silt-pit, empty bunch applications in</p>		

landslide prone areas and avoiding total herbicide spraying.

Based on field visit for e.g. at Mandau 2 Estate Field 98 14, known that the company' strategy on the slope among others terraces, the technique of preparing the prunes along the contour terrace, planting of the Legume Cover Crops/LCC (*Mucuna bracteata*) and the conservation of fern plants (*Nephrolepis biseratta*).

**4.3.3**

The company has a road maintenance program listed in the heavy equipment operating schedule of 2017 such as the use of graders, vibromax and backhoe loader by all estate. Implementation of program such as :

- Road maintenance program on June 2017 in Mandau 1 Estate Blok 98A and 98 B1 using grader for 13 kilometers length (100%).
- Road maintenance program on March 2017 in Mandau 1 Estate Blok 98 L1 and 2015 C1 using grader for 17,5 kilometers length (100%).

During the field visit sighted that the road are well maintained and there are a manual maintenance activities in progress for example at Mandau 2 Estate Blok 1998 B.

**4.3.4, 4.3.5, 4.3.6**

Based on soil maps known that there is no peat soil within the area of PT Adei Plantation & Industry, it also confirmed during interviews with workers & field visits to KM6 Field 04 G field.

Status:

**4.4**

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

**4.4.1. Minor, 4.4.2 Major**

Has been identified the water sources / bodies within the company' HGU, namely: the Pendi River, Punggur River and Penaso River. The company also has identified the sources used by the employees, such as reservoirs and wells.

Can be shown the evidence of efforts done by the company in maintaining underground and surface water such as effluent management on WWTP before applied to the field (land Application), conservation on riparian area, prohibit the using of chemical on the riparian area, regularly effluent quality test and underground and surface water quality test in annually.

Based on field visit in KM1 housing, known that there are chemical sprays on the reservoir' buffer zone and there is no marking of the chemical application ban. Therefore, the company has not implemented protection for water bodies in accordance with SOP no 9 (Groundwater and Surface Water Quality) which mentions that protection of water reservoir areas is done by providing a buffer zone as wide as 20 meters. **This becomes Non Conformity no 2017.03**

**4.4.3 Minor**

The management unit has tested mill's effluent on inlet and outlet pond regularly. According to the test result, there is no parameter that exceeds of quality threshold (Environment Ministry Decree No. 28 Year 2003). Based on the result of interview with Bengkalis District Environment Agency stated that there is no indication of pollution regarding to the MPOM effluent. Below are sampled of quality test result:

Parameter	unit	Standart	result		
			January	February	March
pH	-	6-9	8,24	8,39	8,23
BOD <sub>5</sub>	mg/l	5.000	224,2	713	578,8

The Company has the license of the utilization of waste water on plantation through decree no. 70/KPTS/1/2012 by Bengkalis regent and valid for 5 years, issued on 17 January 2012.

**4.4.4**

According to the document review on the record of mill's water consumption monitoring on January to June 2017, exceeding the target (2,23 m<sup>3</sup>/Ton FFB s/d 3,47 m<sup>3</sup>/Ton FFB) is in conformity with the plan of usage (up to 2.20 m<sup>3</sup> / Ton FFB). It has been evaluated by the MPOM that this is due to high chloride levels in raw water.

Status:



4.4.2 Non conformity with Major Category

4.5

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

4.5.1

The Company has an Integrated Pest Management Program applicable on January 26, 2017, including among others regular monitoring by the foreman, owls monitoring every 6 months, nettle caterpillar census every 6 months, rat census every 6 months, ganoderma census every 1 year, beneficial plant (*Turnera subulata* and *Casia cobanensis*). The biological method done is planting of beneficial plant and uses natural enemies such as *Tyto alba* as a predator against rat pest. Based monitoring and census result known that there is no potential pest infestation, for example result of rat census in KM1 Block 98A rat attacks only 0.23% which is still below of economic threshold (5%) and inventory of caterpillar in KM3 Division 3 Block 15C is known the average attack rate is 0.49 per frond that still categorize with minor attack (0-5 tail per frond). The company concluded it does not need chemical treatment.

Based on field observation in KM2 Estate Division 6 Block 14E, sighted that the company has been planting a beneficial plant along the roadside such as *Turnera subulata*, in addition there were installation of BOB.

The company has records related to integrated pest control monitoring as contained in the owl census sheets of KM1 Estate which contain among others the monitoring of owls' existence, there are 8 active cages. In addition, the company has conducted ganoderma/lingzhi monitoring, for e.g. monitoring result on August 14, 2016 showed that there is no ganoderma infestation.

Based on herbicide usage record known that there has been a reduction of chemical usage since 2014 – 2017, describes as follows:

No	Period	Total chemical usage	% Reduction
1	Oct 2014 - Sept 2015	2.453	-
2	Oct 2015 - Sept 2016	2.231	9,05
3	Oct 2016 - May 2017	1.236	44,60

During the field observation, sighted the installed of BOB, for e.g. in KM1 Division 3 Block 15C and confirmed that it is active.

4.5.2

The company has trained workers who involve in the implementation of IPM. The report and list of training attendants, is available. Based on interview with IPM officer in all estate sampled for example in KM3 Division 3 Block 15C known that the PIC has been understood regarding to EWS and census method. Based on the training program for the Mandau Estate in 2017, known that refresher training of Integrated Pest Management will be conducted in July 2017, the plan of personnel trained is Mandau Estate IPM Teams with the responsible person is the Manager of each unit.

Status: Comply

4.6

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

4.6.1

The entire chemicals used by the company are listed in chemical permitted by Minister of Agriculture (Regulation of the Minister of Agriculture No. 1 / Permentan / OT.140 / 12007 concerning List of Banned Pesticide and Limited Pesticides). The rules and policy of the use of agrochemical stated in SOP No. 6. The Company has SOP No.5 concerning the Safety of Use and Storage of Chemicals including Hydrocarbons dated August 01, 2015. The SOP describes the use of chemical that are appropriate to the target species. As regulated in the SOP, such as garlon (*triklopir*) for woody weed, ally (*methyl metsulfuron*) for wide-leaved weeds and carbofuran for rhinoceros beetle. There is no uses of paraquat dichloride. Based on the results of interviews and document review known that the company are using different types of herbicides to prevent the resistance of weed/pest.

The company has records all of pesticides used which also informs the target of attacks, pesticide classes, registration

numbers and justification of use, there were 11 types of agro-chemical uses, for e.g. metaprima with active ingredient methyl metsulfuron, class U, registration number RI 0102300. 01030120031897 with justified used for systemic herbicides for wide leaf weeds.

Based on interviews with spraying team in KM1 Division III Block 15C, known that workers have understood the procedure of spraying including the safe working aspect. The team able to demonstrate the spraying on boundary of buffer zone.

**4.6.2**

The Company has demonstrated the Circle & Path Spraying Program in 2017, which includes the planning of blocks and blocks to be applied and the amount of costs incurred.

The company has recorded pesticides usage in “Costing Book”, consisting of active ingredient of herbicides used, LD50, targeted area (Ha), and number of application. For example, the use of herbicide on June 2017, in Mandau 1 Estate Blok 98L (232 Ha) using glyphosate 480 g/l (1,92 kg ai/Ha) dan methyl metsulfuron (0,21 kg a.i/Ha).

The company can shows data of pesticide usage period 2016-2017, as follows:

No	Pestiside	Used
1	Elang 480 SL	2,178.46 Liters
2	Amiphospate 480 SL	2,000.00 Liters
3	Metaprima 20 WG	48.75 Kg

The company already has a pesticide reduction program, among others through selective spraying, a combination of chemical and manual application program and spraying program 5 Right (Right Target, Right Type, Right Time, Right Dose and Right Application).

Based on herbicide recording period October 2014 - September 2015 it is known that the total use of pesticide is 2,453 Liter while in the next period is October 2015 - September 2016 the total use of pesticide is 2,231 Liter (decrease 222 liters or 9.05%) and in the period of October 2016-May 2017 the total use of pesticide is 1,236 liters (decrease of 995 Liter or 44.60%).

**4.6.3**

The company does not conduct pesticide applications prophylactically, the evidenced by the mechanism of pest and disease control based on the results of detection and census. Regarding to the records of IPM has been described on C.4.5.

**4.6.4**

The Company has listed in the entire pesticide used, updated on March 10, 2017 which informs : trademark, active ingredient, class, registration number and and WHO classification. There were 7 types of pesticide used.

The Company has policies related to the use of paraquat, on the Memorandum of General Manager of Plantation on June 1, 2015 to Senior Manager and Estate Manager which requested to reduce the use of paraquat in accordance with the RSPO program. Theres no uses and purchasing order made against paraquat since June 1, 2015.

Based on the results of interviews with spraying team in Mandau II Estate Block 2004J, known that paraquat has not been used since 2016.

**4.6.5**

The Company has a SOP of Spraying dated February 12, 2016 compiled by KLK Agriservindo. The Company has records related to spraying training conducted by each estate, such as:

- Spraying training at Mandau 6 Estate on May 08, 2017 which was attended by 9 people.
- Spraying training in Block 156 on May 16, 2017 which was attended by 13 people.
- Spraying training in Block 186 on 30 May 2017 which was attended by 5 pesticide operator and 1 foreman.

Observed that the facility for chemical mixing, cleaning/washing after work and space for PPE keeping are provided in the each estate. Chemical mixing are conducted in the mixing area. All precautions have been implemented to reduce the possibility of pollution and risks to workers, such as provide the chemical trap and bund-wall. All the chemicals stored are in accordance with the inventory records.

Based on observations and interviews with operators in Mandau 1 Estate, Mandau 2 Estate and Mandau 6 Estate, known that training related to the use of chemicals has been conducted routinely. Workers also have understood the hazards contained in chemicals, PPEs used, safe working methods, and working mechanisms in accordance with applicable SOPs. Sighted during the field visit at Mandau 1 Estate (Block 15C) and Mandau 2 Estate (Block 2004J) on spraying activity, the operators has been used appropriate PPE such as gloves, apron, spray glasses, masks and boots, the PPE can be replaced anytime if damaged. Also confirmed that the PPE used has been considering the MSDS and suggestion on the packaging. Based on interviews with foreman known that the dosage used has considered the product label. The MSDS are available in the storage.

#### **4.6.6**

Pesticide storage mechanism described in the company' SOP No 5, stated that storage area restricted area, locked, only pesticide only handling by people who are given responsibility and training.

Based on observations to Central Warehouse, it is known that pesticide storage has been done well, has been separated with non-chemical materials, available MSDS and have good air circulation. The entire ex-container are stored in the scheduled hazardous storage, which is has been in accordance with SOP no 10 on hazardous waste management.

#### **4.6.7, 4.6.8**

The Company has SOP No. 30 on chemical mixing describes the steps of cleaning personal protective equipment (PPE), cleaning equipment, managing equipment and chemical waste. Also has provided the facility to cleaning after work and the spaces to keep the PPE.

Based on interviews with spraying workers at Mandau 2 Estate Block 2004 J, known that workers have understood the safe working aspect, prohibition to spray around buffer zone and its ban marking, workers have also attended specified pesticide training.

The company has never been applying aerial spraying.

#### **4.6.9**

The company has had and well documented the Material Safety Data Sheet/MSDS, it has been installed in the chemical storage. Adequate training has been provided to the employees who are involve in chemical activities, can be showed the record of training, such as:

- Training for Operator of Paraquat Herbicide has been conducted on 8 April 2015.
- Spraying Training for spray worker. It was implemented on April 17, 2016.
- In addition has been planned in Training Program for Mandau Estate (2017) the refreshment training for sprayer in each Estate such as:
  - Kebun Mandau 2 was conducted on May 30, 2017
  - Kebun Mandau 4 was conducted on May 08, 2017
  - Mandau Estates 1 and 5 were conducted on May 16, 2017

Through the interview known that the employees has been trained well, for example in KM1 Estate Division III – Block 15C, and has been use PPE (Glasses, Masks, Apron, Gloves and Boots)

#### **4.6.10**

The company has been set the SOP for hazardous waste management, including pesticide ex-container, describes in the follows document:

1. SOP number 16 concerning Hazardous Waste Management, issued on August 1, 2013, which sets the hazardous waste management including waste from used chemicals and pesticides packaging.
2. SOP number 17 concerning Waste Management, which regulates the waste from plantation operation including former ex chemical container by three times rinsing (500 ml, 1 liter and 4 liter), store in temporary storage, and disposal by licensed third party.

Based on interviews with store keeper stated that the pesticide ex-container is stored in licensed Hazardous storage.

The Company has undertaken hazardous waste handling training in accordance with SOP no 16 concerning the handling of hazardous waste on 8 february 2017 followed by 4 supervisors. Confirmed during the field visit and iterview to the workers and management representative that they has been understood regarding to the waste handling.

The field verification showed that the company has been managing agrochemical waste including used pesticide container properly in accordance with applicable regulations. All chemical waste are stored in a licensed temporary storage before transported and disposed by licensed third party. All hazardous waste management records are maintained and reported to local environmental offices of Bengkalis District.

**4.6.11**

There is a list of pesticide operator which updated every month. The company has conducted a medical examination for chemical application personnel who work in a high-risk condition, based on document's review and interview with company'doctor known that the entire personnel who involve with chemical material are healthy and fit to work. The medical checks has been included the cholinesterase test. Interview and random checks are conducted during the audit to pesticide operator of KM 1, KM2 and KM2 and found that there is no indication of skin disease and itches. Mentioned that the result of medical test has been informed to workers.

**4.6.12**

The Certificate Holder has a policy that prohibits pregnant and breastfeeding personnel to work with chemical material. Based on interview with spraying personnel in KM 2 Estate it is known that there were neither pregnant nor breastfeeding female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. In addition, audit team also got information that personnel have understood that female personnel cannot work with chemical material if they are pregnant or breastfeeding

**Status: Comply**

**4.7**

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

**4.7.1**

There is no revision over occupational health and safety policy in PT Adei Plantation and Industry. The policy has been implemented based on the applicable regulation. Field visit and interview in mill and estate revealed that the occupational health and safety has been socialized and implemented by company through Socialization with personnel during muster morning before work and installation symbol about OHS. The Certificate Holder can show the realization of the work program on OSH, for example, there are updates Guiding Committee of Occupational Safety & Health Board structure, OHS meeting every month, Granting and utilization of PPE in estate and mill based on risk analysis and Periodic medical examination, particularly for high risk personnel

**4.7.2**

Certificate holder has risk conducted risk identification which recorded in Risk Assessment 2017. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers Based on interview with Harvester in Kebun Mandau 2, it is known that he knows the potential occupational risk and how to minimizw the risk. There are also MSDS for agrochemical and PPE signboard in each estate and POM.

**4.7.3**

Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. The Certificate Holder presented documentation over training on occupational health and safety and occupational health and safety implementation in esatte and mill. Interview with mill and estate's personnel revealed that company has delivered training to improve personnel capacity and knowledge. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Sighted the evidence of HIRARC training specified to workers who exposure to noise for example on 13 June 2017 with the number of

participants are 14 persons.

Audiometry test conducted in annual basis, the latest are held on 22 December 2016 for 48 workers, there is no indication of noise exposure. Furthermore based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in Kebun Mandau 3 revealed that company would substitute or replace the PPE if there is a damage or broken on the old one. Moreover, company has a commitment to comply the applicable occupational health and safety procedure, such as:

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

To reduce noise exposure, the company has Set the working hours for employees to reduce noise exposure as 1 shift no more than 8 hours, installing the signboard in location with high noise level and area with mandatory use of PPE and monitoring the use of PPE.

#### **4.7.4**

The Certificate Holder has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. The secretary of this committee is the OHS general expert. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The meeting is documented in minutes of meeting and list of attendees.

#### **4.7.5**

The company has made efforts to deal with emergencies and accidents with SOP Emergency and Accidents (SOP No. 51). SOP includes the main potential causes of emergencies, among others: fires, chemical spills, and the main potential natural disasters; Health and Safety Procedures in Estate, signed by the Senior GM on November 1, 2011 and Safety standard operating procedures (SAOP) for Mill, signed by the Controller on 01 December 2011.

The company has the facilities and infrastructure emergencies such as fire extinguisher, First Aid Kit Boxes, Hydrant, water engine and fire truck. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. Based on interview with supervisor, it is known that he understood the first aid mechanism in case of emergency.

Based on field observation, documents verification and interview with OHS expert and company doctors in June 2017 there is fatality accident in estate with the victim are FFB Loader. Related to this matter, company can show evidence of result of evaluation and investigation of work accident and follow up for its improvement to prevent other accident. Against a victim of a company may show evidence of obligation regarding insurance and other kindness.

#### **4.7.6**

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical

insurance, The Certificate Holder has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, interview with contractor revealed that contractor's personnel have also been registered in manpower insurance/ BPJS.

**4.7.7**

Companies record of workplace accidents in Work Accident Monitoring report which reports the complete information about accident, such as the month of the accident, number of case, the accident's location, type of accidents, the impact, working hour losses, the accident cause, follow up action and result. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction with regular reports of Guiding Committee of Occupational Safety & Health.

**Status: Comply**

**4.8**

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

**4.8.1**

The certificate holder has had a training program for workers included All staff, Workers and contract workers for period of 2017 which consists of understanding the RSPO, such as hazardous waste management, welder training, first aid training, emergency response training. Recording and realization of training programs at PT Adei Plantation & Industry for 2016 recorded properly. Result of field observation in Mill and Estate and interviews with personels, it is known that the personels has been given training about their job.. This was evidence that the personnels have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures.

**4.8.2**

The Certiifcate Holders has had a worker training records for each unit stored in in assessment records document employee training, Based on interviews with workers, it is known that workers have been trained in accordance with the work being performed. Contractors has been involved in several training such as OHS and emergency responses.

**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 major**

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

**5.1.2 minor**

Environmental management plans have been incorporated in the AMDAL document.The document has included explanation of: the type of environmental impact, impact sources, management parameters, goal of environmental management, location, management effort, time and period, responsible parties, expenses (plan), and the supervisory agencies.

Evidence of implementation of environmental management plan has been included in the periodic reports (RKL-RPL report) as summarized belows:

- Installation of wastewater treatment plant in the mill and the implementation of land applicationn
- Provision of water reserve in field, in the form of rorak and wells, setting up fire fighting equipment such as fire extinguisher and water tank trucks, fire towers, fire simulation and counseling to employees and the public.
- Revegetation data for habitat management of fauna has not yet incorporated
- Recruitment of villagers surround the plantation
- CSR activities, infrastructure development and the involvement of local businesses

**5.1.3**

Protocol of environmental monitoring plan has also been incorpoprated within EIA and UKL-UPL documents. A matrix of environmental monitoring plan available at EIA and UKL-UPL, which describes: the type of impact, impact sources, the parameters of monitoring, target monitoring, site monitoring, monitoring, and time periods, executive manager, expense (plan), and the supervisory agencies.

Every semester the company conducts environmental monitoring based on RKL and RPL matrix. The Company has sent a report to the Department of the Environment and the Agriculture Service on 21 February 2017, and to the Riau Province Environmental Agency dated 28 February 2017.

**Status: Comply**

**5.2**

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

**5.2.1**

The Company has conducted HCV assesment on August 2011, assessment are conducted using HCV toolkit in Indonesia (June 2008), assessed by the RSPO licensed assessor. Assessment is done using document review method, field observation and interview with the surrounding community (FGD and direct interview). Evidence of stakeholder involvement is shown in the form of FGD attendance lists and interviews and poto documentation during the interview. . As its has been confirmed during the public consultation to communities in Penaso Village and Koto Pait Village. Based on report the company' HGU are bordering with protected area namely wildlife reserve of Giam Siak Kecil and wildlife reserve of Balai Raja. Re-delineation of HCV area held by the company on 14 July 2017, the report of re-delineation showed in Decre No 1/KM/VII/2017 on the determination of the HCV area as much as 236 Ha, can be shown the latest HCV map scale of 1:55000.

**5.2.2**

The Company has a HCV management plan consist of sign board installment of endangered species and water sources, riparian borders signs board and prohibition spraying on riparian and socialization of the HCV management plan. HCV area consist of 11 species of mammals, and 9 species Aves that categorized as RTE.

To increase the diversity of companies have done Installation of signs. Delineate and map the boundaries of the HCV area and marking the boundaryes by giving red paint on the palm stand. It aims to avoid disruption to HCV areas, so that biodiversity can increase naturally. There is no found any disturbance against the wildlife and RTE species which requires the involvement of BKSDA (Natural Resources Conservation Centre) as required in the PP 7/1999. The Company' SOP no 15 on identification and management of HCV, flora and fauna. Revised 1 March 2016 has been referring to Law No. 5/1990 on the conservation of biological natural resources and ecosystem.

There was an area of 3,046.19 Ha within the HGU which is customary area of Sakai Community that has been designated as conservation area. The field visit is also known that the area is part of Penaso village. The company has done the management activities by delineation the area. The purpose of conservation by the company is to protect residential areas and ulayat lands for the Sakai Community.

Based on interviews with pesticide operator and foremen in Mandau Estate 5 known that they has been familiar regarding to prohibition of spraying at the border of riparian. During the field visit sighted the sign board of ban of

hunting of animals that are installed in the access road. There is monitoring of important species that exist within the company' concession conducted periodically.

**5.2.3**

The company policy on RTE species protection stated in the SOP No 15, revision on 1 March 2016, done through HCV signage, prohibited from hunting and trapping. Installed the signboard that informing the image of threatened, endangered and vulnerable species.

The Company has shown evidence of training programs in which there are HCV and important species socialization. For example: socialization on 26 May 2017 followed 35 employees. Based on interview known that the workers are aware regarding to the company policy on RTE protection.

**5.2.4**

The Company has observed protected species. For example, observation in KM6 for period of January 2017, the record showed such as checklist of protected species, there are 17 species found in the company namely The cattle egret (*Bulbucus ibis*), Blue eared kingfisher ( *Alcedo meninting*), Little Egret (*Egretta garzetta*), The white-throated kingfisher (*Halcyon smyrnensis*), The black-winged kite (*Elanus caeruleus*), The leopard cat (*Prionailurus bengalensis*), The brown-throated sunbird (*Antheptes malacensis*), The olive-backed sunbird (*Cinnyris jugularis*).

The company has not yet implemented protection of flora and fauna according the SOP Estate No. 15 (Identification and Management of HCV, Flora and Fauna). Based on the result of the visit at BPN Pole No 82 block 2004 C found a net for bird and bat trap in plantation area. **This becomes Non-Conformity NCR 2017.03**

**5.2.5**

There is no HCV overlaps with local community areas.

<b>Minor 5.2.4</b>	<b>Status:</b> <b>Non Conformity with Minor Category</b>	
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**5.3**  
**Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**5.3.1 major**

The company has document identifying sources of waste and pollution generated from plantations and palm oil mills operation, under the following document:

1. EIA and UKL-UPL document which lists the major sources of waste from palm oil mill and plantation operations, especially solid waste,POME and emissions.
2. Waste identification document, updated on June 2015. There are 21 sources of waste that were identified: used lubricant from vehicle and engine; Workshop produces contaminated fabrics and and used lubricant; emission from boiler; empty bunch from FFB processing; Clinic operation generatesinfectious waste; POME (liquid waste) from mill processing; POME produces methane gas, etc.

Based on field visit in landfill KM1 and KM 6 it is known that to minimize the impact of domestic waste, the company has been provide a landfill in each estate.

**5.3.2 major**

The company has provided special place for storage of chemicals materials in mill and estates. There are two chemical storages for estate operations, located in KMS 1 estate for South Area and in KMU 6 Estate for north area. There is one unit of chemical material storage for the chemical plant.

Observed from field visit that those chemicals storages has met standard requirement according to regulation: separated from other materials including fertilizer, provided first aid kit and emergency equipment, MSDS, PPE, structuring materials on palette and include spill trap, permanently ventilated, complete recording, and all staffs have been trained in chemical material handling.

As regulated by SOP, the company has provided licensed storage for hazardous waste or so called TPS LB3 (including ex chemical container), as follows:



- Hazardous waste storage in Mandau Mill.
- Hazardous waste storage in South Mandau Complex (KMS 1 estate),
- Hazardous waste storage in Noth Mandau Complex (KMU 6 estate),

storage for hazardous waste in Mandau Mill. has recommendation letter and Permission renewal still in process by regulator agency, and two hazardous at estate permission renewal process

**5.3.3 minor**

Observed that in order to avoid environmental pollution, company has established a plan of waste disposal, under:

1. EIA and UKL-UPL document which contain management plan of several major pollution sources from estate and mill operation such as liquid waste and emission. All produced POME used for land application.
2. SOP regarding management of hazardous waste (LB3) under SOP number 16, latest revision was on Agustus, 02 2013.
3. SOP of Mills waste handling under document number 18, latest revision available on Agustus, 01 2013. The SOP explains emission management, solid waste, liquid waste (POME) from mill and its utilization.
4. SOP of domestic waste number 41, latest revision on Agustus 01, 2013. SOP also describes the management of domestic waste from housing complex.
5. SOP of Office Domestic Waste Management, under document number No. 42, latest update Agustus 01, 2013.

According to field visit and document review, all of the plan have been implemented, as seen in the following records:

1. All POME produced from mill have been managed in a Waste Water Treatment Plant (WWTP) prior discharged to estate blocks as land application. There are 7 ponds where all ponds are in good shape.
2. All domestic wastes have been disposed in landfill waste disposal
3. Land application permit from local authority (Bupati) under SOP number 70/KPTS/I/2012 has renewal permit process at government agency.
4. Based on interview, some of EFB are used as organic fertilizer in estate, while some others are used as boiler fuels in KCP.
5. All shell and fiber have been used as renewable boiler fuels
6. The Company has a letter of cooperation agreement with the collector with permission namely PT Primaru Jaya on the transshipment of hazardous waste with the type of waste, among others: used lubricants, used fabrics, used oil filters, TL bulbs, used batteries, contaminated packaging and used drums and types other hazardous wastes have also delivered hazardous waste to PT Primanru Jaya from Mandau POM, KMS and KMU hazardous storage on 12 May 2017.
7. The Company has submitted the quarterly Hazardous Waste Balance report for period february- April has sent at july 4, 2017 to: environment agency At bengkalis regency, environment agency for regional sumatra, and ministry of environment.

All hazardous wastes have been managed properly in accordance to applicable SOP dan certain requirements

	<b>Status: Comply</b>	
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**5.4**

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

**5.4.1 minor**

The company uses renewable energy to reduce the use of fossil fuels, as programmed within the standards of waste management (SOP 18):

- All fiber and shell used as boiler fuel to supply electricity to the mills and housing around the plant.
- All POME is used as raw material for biogas (methane capture) in the Biogas Plant. Electricity from Biogas Plant is used for the processing of the kernel at KCP.
- 

The use of renewable energy (fiber and shell) has been regularly monitored by the mill. In addition to monitoring of fiber and shell use, the company has also conducted evaluation on the efficiency of renewable energy through identification of energy produced (Kwh) per MT of CPO. Records of recent energy usage and efficiency analysis shows that average conversion of energy produced per ton processed FFB is 19,28 Kwh/Ton FFB. The company carries out monitoring of the efficiency of fossil fuel use (diesel fuel) and energy saving campaign. For year 2017, the average of produced energy is 3.3 Kwh / liter diesel fuel.

Observed that the company has built a biogas plant with a capacity of 36,000 kw per day to decrease GHG emission and in the other hand increase the efficiency of renewable energy. The electricity is generated from POME processing around 720 m3 per day by using two active generators with a capacity of 1 MW each. Average methane gas generated around 25000-27000 m3 / day with conversion rate of 1 cubic meter waste to produce 40 m3 of gas and 1 Kw of electricity.

Status: Comply

**5.5**

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

**5.5.1**

The company has SOP of land clearing No. 31. The SOP describes the stage of land clearing as follows:

- Zero Burning land clearing implementation.
- Prohibition to clear the land with slope > 40%.
- Prohibition to clear peatland with depth more than 3 m.
- Making system of drainage, terrace, planting LCC plants to prevent erosion and soil degradation.
- All conservation area should not be cleared and must be preserved.

**5.5.2**

According to the result of field visit to the replanting area such as on block B126 of Mandau Utara Estate 6; Block 14Mandau Selatan Estate 2and Block 15 B Mandau Selatan Estate 1, the implementation for planting preparation has been done appropriately based on SOP like: making terrace, planting LCC and stacking the dead palm oil pants as well as rubber plants (land conversion is conducted mechanically).

Status: Comply

**5.6**

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

**5.6.1. major**

The company has identified all sources of waste and pollution in plantation and mill operations. The identification result has been incorporated included in the document:

1. Environmental Impact Assessment (EIA) for the entire plantation and palm oil mill of PT. ADEI P& I, year 1999 and Environmental Management / Environmental Monitoring Effort (UKL / UPL) for conversion from rubber to oil palm in year 2011. The documents describe the main sources of waste and pollution of plantation and mill operations such as: POME, domestic waste pollution, emissions from stationary sources (boilers and generators).

Waste and Pollution Identification Form for Plantation and Factory Activities, latest update available from June 25, 2015. There are 21 major sources of waste identified, eg: used lubricant from vehicles and engines, workshop activities produce dust and contaminated fabrics, boiler produce static emission, FFB processing produce empty bunch, clinics produce infectious and medical waste, waste water plant produces POME and methane gas, etc.

The company has been testing the noise at the location Boilers, Engine Room, Kernel, Stews and Thresher based on related regulation (*Keputusan Menteri LH No. 48, 1996*). The results tests shown that there is parameters not comply with related regulations (> 85 dBA). The company has taken a management action by giving ear muff and ear plug for operators, engine maintenance periodically and greening the area around. Based on field observations in Stasiun Boiler and Stasiun Sterilizer, operators using PPE when working. Audiometry test are conducted to monitored the level of noise exposure to the workers. Showed the report of the latest audiometry test which conducted on 22 Dec 2016 as much as 48 participant, workers who have been working at high noise level are in well condition and appropriate to continue their works.

**5.6.2 major**

All important documents related to greenhouse gas emission calculation have been well identified such as: analysis of land use change(LUCA), POME production data, use of renewable energy (fiber, shells and biogas), the use of fossil fuel, fertilizer and pesticide use. GHG Inventory has been carried out with the guidance from RSPO Palm GHG

calculator.

Specific for Mandau POM, the company has conducted an inventory of greenhouse gas emissions (GHG) sources and relevant mitigation plan, as follows:

1. Waste water treatment plant operation. Mitigation plan: capturing biogas (CO<sub>2</sub>, CH<sub>4</sub> and NO<sub>2</sub>) from the WWTP pond for power generation (started in November 2013), use decanter to reduce the solid waste on WWTP ponds.
2. Transportation, mitigation measures: proper maintenance and monitoring of vehicles transporting fruit to the plant, the transport workers. For reduction of diesel consumption.
3. The use of diesel fuel for generators, mitigation measures: scheduled maintenance to minimize the use of solar, solar usage monitoring (Kwh / liter diesel), GHG emissions in diesel usage are CO<sub>2</sub>, CH<sub>4</sub> and NO<sub>2</sub>.
4. The use of fiber and shell, mitigation measures: use of fiber and shells in the boiler to reduce the use of diesel fuel.
5. Dust from boiler chimney and kernel cyclone, mitigation measures: inspection of the chimney - every 6 months.

POME management procedures has been recorded properly. Observed that WWTP is generally well maintained. No indication of leakage or overflow to the environment / water bodies, flow meter functioning properly to monitor wastewater discharge for land application. In addition to main waste water processing ponds, the company provided mud (dumping pond) to separate the waste with sludge.

Based on interviews with local environmental office of Bengkalis District, it is known that Land Application Permit for PT. Adei P & I has expired, and the company has process license renewal. There is no complaints so far and from neighboring communities or stakeholders about the negative impact of land application.

Observed during the field visit that the appropriate PPE has been provide to workers such as ear plug and ear muff, regularly audiometric test are held to identify any indication of noise exposure.

### 5.6.3 minor

#### Summary emissions

product	tCO <sub>2</sub> e/t Product
CPO	1,12
PK	1,12

Description	Unit	Value
Total planted area	Ha	11163
Total planted area on peat	Ha	0
Conservation area	Ha	2242
OER	%	21,64
KER	%	4,91

#### Mill emissions and Credits

Description	tCO <sub>2</sub>	tCO <sub>2</sub> e/t FBB
Emission Sources		
POME	26112.82	0,12
Fuel Consumption	207,52	0
Grid Electricity Utilisation	0	0
Credit		
Export of excess electricity to housing & grid	-3453,45	-0,02
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	22866.88	0.11

Plantation / field emissions and sinks

Description	tCO2	tCO2e/ha	tCO2e/t FBB
Emission Sources			
Land conversion	110252.8	9.88	0.66
CO2 Emission from fertiliser	19841.12	1.78	0.12
N2O Emissions	11320.99	1.01	0.07
Fuel Consumption	2366.66	0.21	0.01
Peat Oxidation	0	0	0
Sinks			
Crop Sequestration	-104505.03	-9.36	-0.63
Sequestration in Conservation area	0	0	0
Total	39276.54	3.54	0.24

Emission from palm kernel crusher

Description	tCO2e
PK from own mill	11485.56

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 conducted in collaboration with Aksenta on 24-31 October 2011, method of assessment such as focus group discussion, interview on field (direct) and observation. The villages visited include Muara Basung Village, Tenggau Village, Balai Pungut Village, Beringin Village, Kuala Penaso Village, Pinggir Sub-district Office, Semunai Village, Titian Antui Village, and Balai Raja Village.

**6.1.2**

In the appendix of the report provided the evidence of participatory of related parties such as minute of opening meeting, minute of FGD with communities, minute of FGD with workers and minute of closing meeting.

**6.1.3, 6.1.4. 6.1.5**

The company has set and documenting the social impact management plan and its monitoring for period of 2017/2018, include explanation of monitoring methode, schedules and person in charge. There are nine social impact management programs / plans, including: stakeholder identification, organizing periodic meetings with stakeholders to establish communication, CSR implementation, employment system and socialization of recruitment, mapping and conflict management. In addition, there are management and monitoring plans based on emerging external and internal issues. The management plan has been reviewed on 2016, the changes after review is the village which is the main focus was Semunai Village, Titian Antai, Muara Basung, tenggano, penasu and Koto Pait.

Interview t the related stakeholders are conducted during the audit, namely communities at Antui Village, Koto Pait Village and Jiat as well as interview with Head of Sakai Community, its confirmed that the all the issues has been captured during the SIA.

There is no smallholder scheme in PT Adei – Mandau complex.

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**

The company has stakeholder list which has been updated on May 16, 2017. Communication mechanism between the company and stakeholders stated in SOP No.1, about the mechanism of delivering and responding of information along with the time period of giving response.

The company has SOP 19 about communication, consultation, and socialization with stakeholder revised on August 1, 2015. The PIC of external communication is manager/assistant/PR. The SOP states that:

- Communication needs to consider the access discrepancy against the information for women and men, head of village, daysman, new and old community group and other ethnic groups.
- The consideration need to be given to involve third party, such as community groups, LSM or government (or combination of those three groups) that has not directly related to facilitate the scheme of smallholder and local people, and other parties if needed.

Based on the interview with Environment Agency, Agriculture and Plantation Agency of Bengkalis, known that the stakeholder knows the way to access information of the company. The communication done verbally or in writing. Records of the communication shown that the up to the audit conducted, the letter submitted to the company is only their request for assistance.

**6.2.2**

In the SOP of 19 on communication, consultation and socialization with stakeholder stated that the person in charge is Manager/Assistant/PR.

Based on public consultation with Desa Jihat, Desa Koto Pait, and Desa Titian Antui representative, Dinas Pertanian, BLH, dan Dinas Perkebunan Bengkalis, known that communication with the company runs well. Stakeholder communicates through PR or manager and always responded well.

**6.2.3**

The company has stakeholder list which has been updated on May 16, 2017. Based on interview with management, known that the stakeholder list will be updated by phone if there is any change. The company also has document list which can be accessed by public for each management unit.

The record of information request save in disposition book. In the log book, there no there is no information request until the audit conducted. There is only proposal of supporting request from the villagers.

**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.**

**Indicator 6.3.1**

The company has SOP 20 related to the delivering complaints procedure revised on August 2016, describing the PIC for handling the complaints, namely manager/assistant. Complaints can also be submitted through labor union, gender committee, suggestion box, and hotline/email address that has been displayed in the estates and mill office (auditor team has verified that those numbers are active and easy to be contacted).

Mentioned that the complaint also can be submitted to RSPO website ([www.rspo.org](http://www.rspo.org)). There is also a mechanism about the whistleblower protection. An annually review will be conducted in a consultation with related stakeholder, to evaluate the effectiveness of complaint procedure.

Based on interview with staff of estate office, employees representative in housing KM1 and KM2, generator operator KM6, known that the employees have known and understood the mechanism of delivering complaint. The employees are aware regarding to the facilities that has been provided.

**6.3.2**

Complaint and the solving process record noted in an information and complaint logbook. The logbook is available in each unit of estate and mill. SOP 20 related to the procedure of delivering complaint states that the authorized person in the documentation is assistant and manager. In the logbook, there is no complaint received, only some CSR supporting request. Based on the results of the document review and interview with the union labor known that there are several disputes related to industrial relations between PT Adei Plantation and Industry with employees and the process is currently in the Supreme Court. This has been noted as **Observation**.

Minor 6.3.2	<b>Status: OFI</b>
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**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

Sighted the SOP to verify the legal aspects of land and other rights associated with the plantation area :

- SOP No 27 on land acquisition. Explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.
- SOP No 26 on land dispute settlement, including identification of land compensation of plantation area.

The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru), the document has been verified at ST-2 till ASA-4.

Based on interviews with villagers around the village (Antui Village, Koto Pait Village and Jiat as well as interview with Head of Sakai Community) mentioned that the company has made land acquisition in accordance with the company's SOP.

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

In Labor collective agreements that ratified on November 18<sup>th</sup> 2016, article 9 regarding employment type, namely: monthly worker, daily fix worker, daily unfixed, piece rate.

Employs wages payment is conducted under the terms of Riau Governor Decree No. 120 year 2017 on the sectorial minimum wage for period of 2017. Based on interview with employees in POM, KM1, KM2, KM5 and Worker Union known that company has paid the employees wage in accordance with applicable regulation, payment of wages has been held in accordance with the mechanism mentioned in employment contracts and labor collective agreements. Moreover, interview with contractor also revealed that they received salary no less than government regulation's amount.

**6.5.2**

The certificate holder can present work agreement (PKB) agreed between PT. ADEI Plantation & Industri and 3 labor union (PK SB Sejahtera Indonesia, PUK SPPP Serikat Pekerja Seluruh Indonesia and PTP Serikat Buruh Riau Independen). The mutual agreement valid period 2015 – 2017 and has been legalized by head of Manpower Agency of Siak District on November 18<sup>th</sup> 2015. The employment agreement has conformed to the applicable manpower regulation in Indonesia and has been written in understandable language for employees, All employees has had a direct employment contract with the company. The same thing is also demonstrated in contract employee. The employment contract is in Bahasa and the copies are available for both parties, the workers and company. Based on the interview with employees is known that the employee has had a copy of the labor agreement and has understood the agreement. Based on interview with worker sometimes they bring family to help work, so the company should Improve monitoring on the implementation of company policy on prohibition to bring others to help the work (family gank). OFI

**6.5.3**

The Certificate Holder has provide general facility to ensure worker welfare. Some facility that has been provide as example, housing facility, water reservoir, electricity, sanitation facilities, worship place, sport, educational facility and transport, daycare, landfill, firefighter facilities etc. Any complain regarding to the facility can be delivered to field supervisor or field staff.

Health care services available in Mandau Selatan Estate and Mandau Utara Estate. It clinic has had a mutual agreement with social security administrator for health (BPJS). If any serious case, those clinic can referring patients to a Permata Hati Hospital (the nearest hospital in Duri 28.62 km).

Electricity has supplied from own generator or national electricity company (PLN). For supply from PLN, the worker will get subsidy IDR 100.000/month. Field visit at Emplacement in Kebun Mandau 1, Kebun Mandau 2 & Kebun Mandau 6 shows that the facilities and infrastructures are in good condition. Based on the interview with employees mentioned that the infrastructures provided by company has been adequate and feasible.

**6.5.4**

The company provide area for incidentally traditional market during the payment day and allow the worker to selling basic need in their home. Based on location map, PT. ADEI Plantation & Industry located in Sub district Pinggir. The nearest city that supplied decent food were ± 13.73 km from the plantation. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with personnel, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

**Status: Comply**

**6.6**

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

**Indicator 6.6.1**

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

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

The existence of labor unions is one of the drivers to establish Collective Agreement. The Company already has a document of Collective Agreement between PT Adei Plantation & Industries with 3 unions, namely:

- a. Serikat Pekerja Seluruh Indonesia of Kebun Mandau Utara (SK no. Kep.18-A/PC/FSP.PP/SPSI/BKS/02/2017) dated on February 14, 2017 for the period of 2017-2022.
- b. Serikat Pekerja Seluruh Indonesia of Kebun Mandau Selatan (SK no. Kep.17-A/PC/FSP-PP/SPSI/02/2017) dated on February 14, 2017 for the time period of 2013-2018.
- c. Company-level union (no.: 153/DTKT-PHIJ/2017) dated on February 28, 2017
- d. Company-level management – Labor union of Riau Independen

Based on the interview with employees in the field and public consultation with union management representative, known that the company provides freedom for all the employees to become member of labor union or not. Besides that, based on article 5 of Collective agreement on facilitate for labor union. The company also grants maximum of 2 days leave permission in writing from estate manager and room facilities as union office. So far, the relationship between t company and the union has been going well and there is no intimidation to employees as an excess of their activities as union administration.

**Indicator 6.6.2**

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

- Notulen no. 03/PUK.SPPP-SPSI/KMU/04/2017 about health facility displacement, bilal at mosque on April 27, 2017.
- Notulen no. 17/PTP-14/SBRI/P/IV/2017 about compensation and housing renovation on April 20, 2017

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

**Status: Comply**

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

**6.7.1**

There is no change about the minimum age to work in PT Adel Plantaion and Industry (18 years old). Result of employee's list document inspection shows that there is no employee under 18 years old. Based on field observations in POM and estate there is no employee under 18 years old. Interview with workers are held and they are aware regarding to the minimum age for employees to be hired is 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**

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

**6.8.2; 6.8.3**

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

**Status: Comply**

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

**6.9.1; 6.9.2; 6.9.3**

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

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

- The Company will comply with all legal and regulatory requirements relating to the reproductive rights of women.



- Gender Committee will be established to implement and monitor this policy. The results of field visits at the clinic also found policies and procedures regarding the leave application related to reproductive rights.

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

The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker in Kebun Mandau 1 , Kebun Mandau 2 and Kebun Mandau 5 shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

**Status:**

**6.10**

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

**6.10.1, 6.10.2**

Based on interview with management, the company has not been receiving fruits from other party since February 2017

**6.10.3**

The company has agreement with contractor, such as workers of making stank culvert and FFB freight from KM6 to palm oil mill of Mandau or vice versa by truck. There is an agreement between the company and contractor.

Based on interview with the contractors, known that they have a copy of the agreement. In the agreement, state rights and obligations to be done by the contractors and the company. They also have understood.

**6.10.3**

The company can show the agreement and the transfer receipt. Based on document review, known that the company has made a payment in accordance with payment procedure stated in the agreement. There are work completion statement, invoice, and receipt of each work.

Based on interview with the contractor, known that the contractor has known the payment mechanism in accordance with the agreement. The payment made by the company in time with the appropriate value which agreed in the agreement.

**Status: Comply**

**6.11**

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

**6.11.1**

The company has CSR program of 2016-2017 which has been arranged on June 2016 by PR and GM assisstant. In the document , there are CSR which has been arranged along with the budget, such as social health, infrastructure, education, sport and recreation, charity, local wisdom, national day celebration, and environmental preservation.

Companies can show evidence of involvement of affected parties in the preparation of CSR programs, as shown in the questionnaire for environmental and social impact monitoring. In the document there are questions about CSR. The questionnaires were given to Muara Basung Village, Titian Antui Village, Muara Basung Village, Balai Raja Village, Semunai Village, Koto Pait Beringin Village, Tengganau Village, Balai Pungut Village, Beringin Village and Penaso Village. There are positive and negative inputs in the questionnaire.

The Company also has a CSR Report of 2016-2017 with a total value of Rp. 2,784,753,166. For example, for community security partnership activities, subsidy of students from Muara Basung Village, the pattern of contractual school bus procurement partnership with local businessmen, IHF training for 8 playgroup teachers, local wisdom help care tomb Datuk blood white Village Jihat, Help to Sakai Tribe, other.

Based on interviews with representatives of Penaso village, Titian Antui village and Koto Pait village, it is known that the company has been active in giving CSR especially in village development activities. In a questionnaire that has been shared by the company, there are suggestions for the preparation of CSR and the company has established the CSR program based on the aspirations of the community.

**6.11.2**

Based on the document verification, the company has an obligation to build smallholdings.

**Status: Comply**

**6.12**

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

**6.12.1, 6.12.2 and 6.12.3**

Company's policy regarding to forced labor and human trafficking has been written in KLK Sustainability Policy point 3.2 about Respecting and Acknowledge All Worker Rights. The policy stated that group and the supplier / contractor will not consciously employ or support the use of forced labor or human trafficking and will take appropriate step to prevent the use of forced labor in relation to the group. There are no travel restrictions for workers outside their office hours.

Based on employee data, there is no migrant worker involve in estates and mill. There is no found any force and/or trafficking labor, such as harvester accompanied by the wife or children, as based on cross-check between field visit result and employee's master-list found that all workers are registered in the company.

The entire employees are bound by the agreement which describes the tasks and responsibilities. According to interviews with workers showed that they are working on assigned section in accordance with labor agreements. The workers are freedom to resign any time, there is no statement of financial penalties in the agreement.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**Indicator 6.13.1**

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

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

**Status: comply**

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

**7.1**

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

**7.1.1, 7.1.2, 7.1.3**

Based on hectare statement known that there is no new development since 2010.

Can be shown the document of EIA issued on 1999 covering 14900 Ha (Oil Palm 8900 Ha and rubber 6000 Ha and EIA document for rubber convert to oil palm issued on 2011 covering 2594 Ha. In addition, the company has the EIA document that issued on 2017 covering all plantation operation after all rubber is converted to palm oil.

Social impact assessment conducted on 2012 by Aksenta.

**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.**

Result of soil survey (print on April 16th 2011) which was conducted by PT AAR Indonesia (PT Applied Agricultural Resources Indonesia) describes the land suitability class, type of soil, level of soil fertility and topography.

There is a map of soil type distribution in scale of 1: 120,000. There are 6 (six) land units follows:

1. Pfq 3.2 (7.068 ha) – Kandiudults, Dystropepts, Hapludox, dan tropaquepts – sand – slope 3-8% - good to bad drainage – very deep – low soil fertility.
2. Pfq 3.1 (3.841 ha) - Kandiudults, Dystropepts, Hapludox, dan tropaquepts – clay, sand – slope 3-8% - good drainage – deep to very deep – low fertility.
3. Pfq 1.1 (1.910 ha) - Kandiudults, Dystropepts, Hapludox, dan tropaquepts – clay, sand - slope <3% - bad to moderate drainage – deep to relatively deep – low to moderate soil fertility.
4. Pfq 2.2 (1.072 ha) - Kandiudults, Dystropepts, Hapludox, dan tropaquepts – clay, sand – slope 0-8% - good drainage – deep to very deep – low fertility.
5. Au.1.3 (428 ha) - Dystropepts, Fluvaquents, dan tropaquepts – clay, sand – slope < 3% - bad to moderate drainage – deep to very deep – low to moderate soil fertility
6. Pq 4.3 - (42 ha) - Kandiudults, Dystropepts, dan Hapludox – slope 3-16% - good drainage – deep to very deep – very low fertility.

**Status: Comply**

**7.3**

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

**7.3.1 major**

Review of documents show that the entire area of the new plant after 2005 and after 2010 have been included in the document Identification of HCV that is set up in August 2011. The HCV document had been updated on August 10, 2015 month to review the impact of location HGU PT Adei PLANTATION & INDUSTRY between 2 Protected Areas established by the government in accordance Minister of Forestry Decree No. 173 / Kpt-II / 1986, June 6, 1986, namely SM Balai Raja (2 km Westward of HGU) and SM Giam Siak Kecil (15 km Eastward concession, after HPHTI PT Arara Abadi).

**7.3.2. major**

PT Adei P & I has also developed Analysis of Changes in Land Use (Land Use Change Analysis) in accordance with RSPO format. The LUCA study analyzed land cover change trend in PT Adei P & I area for periods in 1988, 1995, 2005, 2010 and 2014. Parameter study include: Secondary Forest, Field Society / Shrub lands, Area Open, Rubber Plant, Plant Palm Oil and Water Agency. The data was presented in the form of area (ha), a percentage of the concession area of the company (%) and the Land Cover Map. LUCA report has been submitted to the RSPO secretariat via email on October 13, 2015.

The communication with the RSPO Compensation has been done concerning on the status of LUCA Plantation Mandau assessment on July 5, 2017 and the response from RSPO is as follows:

Acknowledging that this unit is certified before the implementation of the RaCP and the LUCA review is on going, RSPO are allowing the unit to be certified. Kebun Mandau must be ensure that the RaCP is completed before the next surveillance audit in 2018.(OFI).

There is no smallholders scheme in PT Adei Plantation & Industry

**7.3.3 minor**

Land clearing of land for oil palm PT Adei P & I has been conducted since 1998. According to the procedure of

document retention time, data retention time is 10 years, so that the record date of the initial opening of the land is not available. For new rubber conversion area, cleared after 2010 the company has a complete record of the date of the beginning of land clearing and stacking mechanically in each block

**7.3.4 minor**

HCV document has been completed with management plan, which covers: Periodic socialization plan, marking boundaries HCV, Installation signboard, patrol, and wildlife protection plan. The Company has evidence that they have already reached an agreement with local people to protect the rights of local communities. There is evidence that consultation with affected communities has been done to identify the areas that are needed by the community to meet their basic needs, taking into account the positive or negative changes to livelihoods as a result of farm operations, such as:

- The presence of HCV related to the cultural identity of the local area of 2.3 ha (2% area HCV) is HCV 6.
- Determination of the conservation area of indigenous people (Malay Sakai Tribe) within the HGU PT Adei P & I of ± 2.540 ha in accordance with the "Discussion Meeting to Define Conservation of Native people in the area HGU PT Adei P & I and a plantation area of PT Arara Abadi District Duri, held on 13 April 2000)

**7.3.5 minor**

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

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

The company also set the HCV monitoring activity that documented on HCV checklist such as:

1. HCV checklist of Penaso River (HCV 4.2 and HCV 5)
2. Riparian belt check list.
3. HCV checklist of sacred cemetery Datuk Berdarah Putih and local tribes Suku Sakai Pebatin (HCV 6 checklist).

**Status: Comply**

**7.4**

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

**7.4.1, 7.4.2**

The Company has a Land Type Dissemination Map (Scale 1: 120,000) located in PT. Adei Plantation & Industry and the results of land sample analysis conducted by Applied Agricultural Resources (AAR) Indonesia. The results of the document review show that no land is found to be marginal and critical soil in the location of PT. Adei Plantation & Industry. In general, land owned by the company, the type of land in the North Mandau Estate and South Mandau Estate is the order Ultisol, Inceptisol and Oxisol which include clay, mineral soil and sandy. Meanwhile, according to land group association of land units, including Kandiodults, Dystropepts, Hapludox, Tropaquepts, and Tropaquods. There is no peatland in PT Adei P & I

7.3.2

**Status:  
OFI**

**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.**

Based on hectare statement known that there is no new development since 2010.

Sighted the SOP to verify the legal aspects of land and other rights associated with the plantation area :

- SOP No 27 on land acquisition. Explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.

- SOP No 26 on land dispute settlement, including identification of land compensation of plantation area.

The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru), the document has been verified at ST-2 till ASA-4.

Based on interviews with villagers around the village (Antui Village, Koto Pait Village and Jiat as well as interview with Head of Sakai Community) mentioned that the company has made land acquisition in accordance with the company's SOP.

Status: Comply

**7.6**

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

Based on hectare statement known that there is no new development since 2010.

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Based on interviews with villagers around the village (Antui Village, Koto Pait Village and Jiat as well as interview with Head of Sakai Community) mentioned that the company has made land acquisition in accordance with the company's SOP.

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.**

According to the result of field visit, there is no fire use to clear the land for replanting and conversion program (from rubber plants to palm oil plants).

The company has formed fire team on estate and mill.

There is a procedure of land fire control such as preventive action, curative action and administration. According to the procedure, the proper land fire control and actions have been described. Examples of preventive actions are by mapping the fire potential area, conducting patrol based on the potential level, creating fire potential area signboard on the potential area, etc.

**7.7.2 minor**

According to the result of document review and field visit, the company has had facilities to deal with fire on North and Mandau Selatan Estate and Mandau POM. Mandau Selatan Estate has 5 units of water tank, 1 unit of trailer, 2 units of water pump machine, hose, stick, tee with several size including the PPE for emergency response team like AP boots, glasses, coat and helmet.

Status: Comply

**7.8**

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

**7.8.1 major**

As previously mentioned, there is development of new plantations after November 2005 in the PT. ADEI area in the form of conversion from rubber to oil palm commodity. In connection with that land cover change, the company has analyzed land use change rate and the amount of GHG emission for the period of 2016 as recorded in PalmGHG calculator 3.0 and has verified by auditor ( refer to indicator 5.6.3).

**7.8.2 minor**

The company has had a plan to mitigate emissions of greenhouse gases (GHG) as follows: adopt and implement zero burning policy, proper and controlled fertilization, the use of fiber and shell to replace fossil fuels, engine maintenance on a regular basis, conduct periodic air quality testing and emissions .

Other strategic mitigation is construction of biogas plant in Mandau POM with a capacity of 36,000 kw per day to decrease GHG emission and in the other hand increase the efficiency of renewable energy. The electricity is generated from POME processing around 720 m3 per day by using two active generators with a capacity of 1 MW each. Average methane gas generated around 25000-27000 m3 / day with conversion rate of 1 cubic meter waste to produce 40 m3 of gas and 1 Kw of electricity

**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.**

PT Adei P&I – Mandau POM can show several continuous improvement, namely:

- The Company has updated Environmental Documents by 2017, its due to the plan to increase the extent of conversion of rubber crops into palm oil and mill capacity (plan). The Company has shown the license document in the form of Decree of Regent no 177 / KPTS / W / 2017 concerning environmental feasibility of plantation and palm oil mill development in Bengkalis by PT Adei P&I.
- The company has been convert the entire rubber plant to oil palm plantation in 2009-2015 an area of 2.854 hectares at the South Mandau Estate and 2,123 hectares in the North Mandau Estate. The company can show the documentation of the conversion progress in South and North Mandau Estate, for example documentation on period of April 2016.

**Status: Comply**

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills – Identity Preserved Requirements																																
D1	Definition																																
<p><b>D.1.1</b>  <b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p>Since 10 April 2017 Mandau POM only received and processes FFB from its own estates (certified), namely : Mandau 1 Estate, Mandau 2 Estate, Mandau 3 Estate, Mandau 4 Estate, Mandau 5 Estate and Mandau 6 Estate. Through observation at the time of FFB reception in the mill (security post and weigh-bridge) and document verification of FFB transportation receipt and weigh-bridge tickets known that the Mandau POM does not receipt FFB from un-certified sources. Mandau POM has established and implemented a certified product traceability system using the SCCS Module D-IP and E-MB.</p>																																	
Status: Comply																																	
D.2	Explanation																																
<p><b>D.2.1</b>  <b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. 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.</b></p> <p>The mill (Mandau POM) has established the CSPO and CSPK projection to be produced during the license period of 19 October 2016 s.d 18 Oct 2017. The recording of the actual certified product is stored and maintained during the period, and the estimated production of the certified product for the next license period has been established. These data can be seen in the following table:</p>																																	
<table border="1"> <thead> <tr> <th rowspan="2">License Period</th> <th colspan="2">FFB (Ton)</th> <th colspan="2">CPO (Ton)</th> <th colspan="2">Palm Kernel (Ton)</th> </tr> <tr> <th>Projection</th> <th>Actual Production</th> <th>Projection</th> <th>Actual Production</th> <th>Projection</th> <th>Actual Production</th> </tr> </thead> <tbody> <tr> <td>19 October 2016 s.d 18 Oct 2017</td> <td>186,429</td> <td>147,546.93</td> <td>41,946</td> <td>33,228.9</td> <td>10,254</td> <td>7,058.47</td> </tr> <tr> <td>19 October 2017 s.d 18 Oct 2018</td> <td>179,774.00</td> <td>Will be verified during ASA-1.1</td> <td>53,519.00</td> <td>Will be verified during ASA-1.1</td> <td>11,908.00</td> <td>Will be verified during ASA-1.1</td> </tr> </tbody> </table>							License Period	FFB (Ton)		CPO (Ton)		Palm Kernel (Ton)		Projection	Actual Production	Projection	Actual Production	Projection	Actual Production	19 October 2016 s.d 18 Oct 2017	186,429	147,546.93	41,946	33,228.9	10,254	7,058.47	19 October 2017 s.d 18 Oct 2018	179,774.00	Will be verified during ASA-1.1	53,519.00	Will be verified during ASA-1.1	11,908.00	Will be verified during ASA-1.1
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Status: Comply																																	

**D.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).**

Mandau POM has been registered and comply to the requirement of supply chain reporting using RSPO IT Platform with member registration number: RSPO\_PO1000000411 and sub license id: CB50630.

Record of CSPO and CSPK sales has been stored and maintained well, can be shown sales by each month during the license period, describes in the table below:

**CSPO and CSPK sold to each buyer period of 19 Oct 2016 to 10 July 2017**

Date	Volume (MT)	
	CSPO	CSPK
Since 19 Oct'16	-	359.93 MT (Mandau KCP)
Nov'16	-	715.75 MT (Mandau KCP)
Dec'16	-	595.84 MT (Mandau KCP)
Jan'17	-	505.55 MT (Mandau KCP)
Feb'17	-	845.13 MT (Mandau KCP)
Mar'17	-	840.52 MT (Mandau KCP)
Apr'17	-	715.9 MT (Mandau KCP)
May'17	-	708.24 MT (Mandau KCP)
Jun'17	-	-
10 Jul'17	60 MT (PT Kreasi Jaya Adhikarya)	-
<b>Total</b>	<b>60 MT</b>	<b>5,286.86 MT</b>

**Status: Comply**

**D.3**

**Documented procedures**

**D.3.1**

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

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

There no changes related to procedure for Supply Chain, describes in document Standard Operating Procedure untuk Rantai Pasok Sertifikasi RSPO issued on 28 February 2017 (approved by Mill Manager, Lim Chian).

The SOP explains the process in term of supply chain system implementation.

- Fresh Fruit Bunch received
- Persons responsible in implementation of SCCS requirements in Mandau POM facility are as follows:
  - Mill Manager responsible for implementation of all SCCS requirement in Mandau POM.
  - Internal audit on sustainability will check periodically consistency of SCCS requirement implementation in facility once a year.
  - Monitoring of book keeping if there is overproduction, the mill manager shall inform to the certification body
  - Mill Manager responsible inform to certification body if there is change of supply chain model (MB to IP whether IP to MB)
  - Sales department responsible in maintenance of supplier list, sales contract, shipping administration, claim, and



invoice.

- Production Assistant responsible in maintenance of daily production report, incoming material, storage, and dispatch.
- Laboratory Assistant responsible in product quality test at each production step.
- Security responsible in first verification of incoming FFB while weighbridge operator responsible in registration of incoming FFB weight (certified) and outgoing CPO dispatch (certified).

During the observation and interview to the key personnel for example security, weighbridge operator and Mill Administration Head, known that the supply chain procedure can be demonstrated and explained well.

**Status: Comply**

**D.3.2**

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

SOP document number 2, issued on January 1, 2016, concerning Standard Operating Procedures for RSPO Supply Chain. The process starts from FFB'S acceptance, processing, product's dispatch and report, FFB's traceability. Moreover, the SOP explains the daily separation mechanism between certified and non-certified CPO/PK as a stock balance control over CPO/PK (sustainable and non-sustainable).

Verification of incoming FFB was done through the following procedures:

- Sales department issued the list of approved supplier. Any update regarding this, shall be sent to mill.
- Mill manager reconcile any update on registered / approved supplier and its certification status.
- In case there is new supplier, mill manager must ensure that the supplier complies to company's minimum requirement.
- Security will check the FFB delivery notes from supply bases, then weighbridge operator will record identity and weight of incoming FFB. Certified and non-certified FFB will automatically be recorded in the weighbridge computer system, refers to current list of certified supplier.
- Computers will automatically generate daily incoming FFB from both certified and uncertified sources.
- Assistant will create daily report on certified incoming FFB and percentage of CSPO (MB) produced (total CPO x % FFB from internal sources)

During interview and observation in Mandau POM, known that all persons responsible in supply chain can demonstrate the procedures and on the implementation of RSPO SCCS standard, however at the time of recertification assessment the mill (Mandau POM) only receipt from own estates.

**Status: Comply**

**D.4**

**Purchasing and goods in**

**D.4.1**

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

Mandau POM can show the record of certified and un-certified FFB received during the license period :

- **Certified and non-certified FFB received period of 19 Oct 2016 to 10 July 2017**

Month	FFB		
	RSPO Certified	Non Certified	Total
Oct'16	9,387.67	38.65	9,426.32
Nov'16	20,572.63	748.42	21,321.05
Dec'16	18,419.86	316.44	18,736.3
Jan'17	18,955.8	647.31	19,603.11
Feb'17	16,743.2	202.44	16,945.64
Mar'17	16,500.2	-	16,500.2
Apr'17	15,410.06	-	15,410.06
May'17	14,097.7	-	14,097.7
Jun'17	12,025.74		12,025.74
10 Jul'17	5,434.07		5,434.07

From the table known that since March 2017 the mill does not receive the FFB from uncertified source.

Status: Comply

**D.4.2**

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

Mandau POM has established the projection of CSPO and CSPK which will be generated during the license period of 19 October 2016 s.d 18 Oct 2017. Records of actual certified products are stored and maintained during the period, based on document review it is known that there is no overproduction of the projection. These data can be seen in the following table:

License Period	FFB (Ton)		CPO (Ton)		Palm Kernel (Ton)	
	Projection	Actual 19 Oct '16 – 10 July '17	Projection	Actual 19 Oct '16 – 10 July '17	Projection	Actual 19 Oct '16 – 10 July '17
19 October 2016 s.d 18 Oct 2017	186,429	147,546.93	41,946	33,228.9	10,254	7,058.47

Status: Comply

**D.5**

Record keeping

**D.5.1**

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

The Mandau POM has recorded and balances all the product produce in three monthly basis for period of 19 Oct 2016 to 10 July 2017:

**CSPO**

Month	FFB Process			CPO Produced			CPO Sales			CPO Balance		
	Total	Certifd	Non-certd	CSPO - MB	Non CSP O	Total CPO	CSP O- MB	Non-Certifed	Total	CSPO- MB	Non CSPO	Physical Stock
										1510.3	0	1510.3
Oct'16	9,926.3	9,897.3	29.0	2,218.6	6.5	2,225.1	0.0	2,409.2	2,409.2	1,319.7	6.5	1,326.2
Nov'16	21,321.1	20,575.3	745.7	4,578.3	165.4	4,743.6	0.0	4,111.0	4,111.0	1,786.9	171.9	1,958.8
Dec'16	18,736.3	18,395.3	341.0	4,142.3	77.7	4,219.9	0.0	4,660.1	4,660.1	1,269.1	249.6	1,518.7
Recon								0.0	0.0	1,269.1	249.6	1,518.7
Jan'17	19,603.1	18,977.0	626.1	4,343.4	142.6	4,486.0	0.0	4,463.5	4,463.5	1,149.0	392.2	1,541.2
Feb'17	16,945.6	16,737.2	208.4	3,741.5	46.8	3,788.3	0.0	2,871.3	2,871.3	2,862.9	-404.7	2,458.1
Mar'17	16,500.2	16,500.2	0.0	3,645.8	0.0	3,645.8	0.0	4,281.1	4,281.1	2,333.9	-511.1	1,822.8
Recon, MB upgrade to IP on 10 Apr 2017								0.0	0.0	1,822.8	0.0	1,822.8
Apr'17	15,410.1	15,410.1	0.0	3,474.6	0.0	3,474.6	0.0	4,491.7	4,491.7	805.8	0.0	805.8
May'17	14,097.7	14,097.7		3,243.8		3,243.8	0.0	3,180.9	3,180.9	868.7	0.0	868.7
Jun'17	12,025.7	12,025.7		2,702.5		2,702.5	0.0	2,957.3	2,957.3	613.9	0.0	613.9
Recon								0.0	0.0	613.9		613.9

10 Jul'17	5,254.1	5,254.1	0.0	1,137.7	0.0	1,137.7	60.0	922.8	982.8	768.8	0.0	768.8
Total	149,820.2	147,869.8	1,950.3	33,228.5	438.9	33,667.4	60.0	34,348.9	34,408.9			

**CSPK**

Month	FFB Process			PK Produced			PK Sales			PK Balance			
	Total	Certified	Non Certified	CSP K-MB	Non CSP O	Total PK	IP	CSPK MB	Noncertified	Total	CSPK MB	Physical Stock	
Oct'16	9,926.3	9,897.3	29.0	460.6	1.8	462.4	0.0	359.9	24.2	384.2	225.0	-22.5	202.6
Nov'16	21,321.1	20,575.3	745.7	924.1	33.8	957.9	0.0	715.8	293.7	1,009.5	433.4	-282.4	151.0
Dec'16	18,736.3	18,395.3	341.0	881.0	15.9	896.9	0.0	595.8	309.8	905.6	718.6	-576.3	142.3
Recon									0.0	0.0	142.3	0.0	142.3
Jan'17	19,603.1	18,977.0	626.1	950.7	31.1	981.8	0.0	505.6	436.6	942.2	587.5	-405.5	182.0
Feb'17	16,945.6	16,737.2	208.4	810.9	10.2	821.1	0.0	845.1	53.9	899.1	553.3	-449.3	104.0
Mar'17	16,500.2	16,500.2	0.0	777.9	0.0	777.9	0.0	840.5	0.0	840.5	490.6	-449.3	41.3
<b>Recon, MB upgrade to IP on 10 Apr 2017</b>									0.0	0.0	41.3	0.0	41.3
Apr'17	15,410.1	15,410.1	0.0	786.4	0.0	786.4	0.0	715.9	0.0	715.9	111.8	0.0	111.8
May'17	14,097.7	14,097.7		698.3		698.3	0.0	708.2	0.0	708.2	101.8		101.8
Jun'17	12,025.7	12,025.7		553.2		553.2	579.8	0.0	0.0	579.8	75.2		75.2
Recon									0.0	0.0	75.2		75.2
10 Jul'17	5,254.1	5,254.1	0.0	215.4	0.0	215.4	237.9	0.0	0.0	237.9	52.7	0.0	52.7
Total	149,820.2	147,869.8	1,950.3	7,058.5	92.7	7,151.2	817.8	5,286.9	1,118.3	7,222.9			

Based on the mass balance report known that all certified products sold derived from positive stock.

**Status: Comply**

**D.6 Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

Mandau POM has committed not to receive and process FFBs that are not certified, observation and verification of documents is known that since March 2017 there is no reception of FFB from outsiders.

Since 10 April 2017 the mill has implemented a requirement of Identity Preserved, based on data reconciliation to the physical stock of CPO in the storage tank and the PK is known that all products MB and noncertified products have been sold on March 2017.

Cleaning of product storage facility has been done through flushing system on storage tank and kernel bulk silo to avoid the product mixed. Documents related to the cleaning have been verified in the supply chain extension assessment activities.

**Status: Comply**

**D.6.2**

**The objective is for 100 % segregated material to be reached**

Since March 2017 there is no non-certified FFB entering to and processing in Mandau POM, all MB's and Uncertified product has been sold on March 2017. Cleaning of product storage facility has been done through flushing system on storage tank and kernel bulk silo to avoid the product mixed. Documents related to the cleaning have been verified in the supply chain extension assessment activities. Thus the target of 100% separate materials has been achieved.

**Status: Comply**

Clause	(Module E) CPO Mills - Mass Balance Requirements																																
E.1	<b>Definition</b>																																
<b>E.1.1</b>																																	
<p><b>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.</b></p> <p>Since 10 April 2017 Mandau POM only received and processes FFB from its own estates (certified), namely : Mandau 1 Estate, Mandau 2 Estate, Mandau 3 Estate, Mandau 4 Estate, Mandau 5 Estate and Mandau 6 Estate. Through observation at the time of FFB reception in the mill (security post and weigh-bridge) and document verification of FFB transportation receipt and weigh-bridge tickets known that the Mandau POM does not receipt FFB from un-certified sources. Mandau POM has established and implemented a certified product traceability system using the SCCS Module D-IP and E-MB.</p>																																	
<b>Status: Comply</b>																																	
E.2	<b>Explanation</b>																																
<b>E.2.1</b>																																	
<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. 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.</b></p> <p>The mill (Mandau POM) has established the CSPO and CSPK projection to be produced during the license period of 19 October 2016 s.d 18 Oct 2017. The recording of the actual certified product is stored and maintained during the period, and the estimated production of the certified product for the next license period has been established. These data can be seen in the following table:</p>																																	
<table border="1"> <thead> <tr> <th rowspan="2">License Period</th> <th colspan="2">FFB (Ton)</th> <th colspan="2">CPO (Ton)</th> <th colspan="2">Palm Kernel (Ton)</th> </tr> <tr> <th>Projection</th> <th>Actual Production</th> <th>Projection</th> <th>Actual Production</th> <th>Projection</th> <th>Actual Production</th> </tr> </thead> <tbody> <tr> <td>19 October 2016 s.d 18 Oct 2017</td> <td>186,429</td> <td>147,546.93</td> <td>41,946</td> <td>33,228.9</td> <td>10,254</td> <td>7,058.47</td> </tr> <tr> <td>19 October 2017 s.d 18 Oct 2018</td> <td>179,774.00</td> <td>Will be verified during ASA-1.1</td> <td>53,519.00</td> <td>Will be verified during ASA-1.1</td> <td>11,908.00</td> <td>Will be verified during ASA-1.1</td> </tr> </tbody> </table>							License Period	FFB (Ton)		CPO (Ton)		Palm Kernel (Ton)		Projection	Actual Production	Projection	Actual Production	Projection	Actual Production	19 October 2016 s.d 18 Oct 2017	186,429	147,546.93	41,946	33,228.9	10,254	7,058.47	19 October 2017 s.d 18 Oct 2018	179,774.00	Will be verified during ASA-1.1	53,519.00	Will be verified during ASA-1.1	11,908.00	Will be verified during ASA-1.1
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<b>Status: Comply</b>																																	
<b>E.2.2</b>																																	
<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>Mandau POM has been registered and comply to the requirement of supply chain reproting using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB50630.</p> <p>Record of CSPO and CSPK sales has been stored and maintined well, can be shown sales by each month during the license period, describes in the table below:</p> <p><b>CSPO and CSPK sold to each buyer period of 19 Oct 2016 to 10 July 2017</b></p>																																	
<table border="1"> <thead> <tr> <th>Date</th> <th>Volume (MT)</th> </tr> </thead> <tbody> </tbody> </table>							Date	Volume (MT)																									
Date	Volume (MT)																																

	CSPO	CSPK
Since 19 Oct'16	-	359.93 MT (Mandau KCP)
Nov'16	-	715.75 MT (Mandau KCP)
Dec'16	-	595.84 MT (Mandau KCP)
Jan'17	-	505.55 MT (Mandau KCP)
Feb'17	-	845.13 MT (Mandau KCP)
Mar'17	-	840.52 MT (Mandau KCP)
Apr'17	-	715.9 MT (Mandau KCP)
May'17	-	708.24 MT (Mandau KCP)
Jun'17	-	-
10 Jul'17	60 MT (PT Kreasi Jaya Adhikarya)	-
<b>Total</b>	<b>60 MT</b>	<b>5,286.86 MT</b>
<b>Status: Comply</b>		
<b>E.3</b>	<b>Documented procedures</b>	
<b>E.3.1</b>		
<p>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:</p> <p>c. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>d. 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.</p>		
<p>There no changes related to procedure for Supply Chain, describes in document Standard Operating Procedure untuk Rantai Pasok Sertifikasi RSPO issued on 28 February 2017 (approved by Mill Manager, Lim Chian). The SOP explains the process in term of supply chain system implementation.</p> <ul style="list-style-type: none"> <li>Fresh Fruit Bunch received</li> <li>Persons responsible in implementation of SCCS requirements in Mandau POM facility are as follows: <ul style="list-style-type: none"> <li>➢ Mill Manager responsible for implementation of all SCCS requirement in Mandau POM.</li> <li>➢ Internal audit on sustainability will check periodically consistency of SCCS requirement implementation in facility once a year.</li> <li>➢ Monitoring of book keeping if there is overproduction, the mill manager shall inform to the certification body</li> <li>➢ Mill Manager responsible inform to certification body if there is change of supply chain model (MB to IP whether IP to MB)</li> <li>➢ Sales department responsible in maintenance of supplier list, sales contract, shipping administration, claim, and invoice.</li> <li>➢ Production Assistant responsible in maintenance of daily production report, incoming material, storage, and dispatch.</li> <li>➢ Laboratory Assistant responsible in product quality test at each production step.</li> </ul> </li> <li>Security responsible in first verification of incoming FFB while weighbridge operator responsible in registration of incoming FFB weight (certified) and outgoing CPO dispatch (certified).</li> </ul> <p>During the observation and interview to the key personnel for example security, weighbridge operator and Mill Administration Head, known that the supply chain procedure can be demonstrated and explained well.</p>		
<b>Status: Comply</b>		
<b>E.3.2</b>		
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b>		

SOP document number 2, issued on January 1, 2016, concerning Standard Operating Procedures for RSPO Supply Chain. The process starts from FFB'S acceptance, processing, product's dispatch and report, FFB's traceability. Moreover, the SOP explains the daily separation mechanism between certified and non-certified CPO/PK as a stock balance control over CPO/PK (sustainable and non-sustainable).

Verification of incoming FFB was done through the following procedures:

- Sales department issued the list of approved supplier. Any update regarding this, shall be sent to mill.
- Mill manager reconcile any update on registered / approved supplier and its certification status.
- In case there is new supplier, mill manager must ensure that the supplier complies to company's minimum requirement.
- Security will check the FFB delivery notes from supply bases, then weighbridge operator will records identity and weight of incoming FFB. Certified and non certified FFB will automatically recorded in the weighbridge computer system, refers to current list of certified supplier.
- Computers will automatically generates dailly incoming FFB from both certified and uncertified sources.
- Assistant will create dailly report on certified incoming FFB and percentage of CSPO (MB) produced (total CPO x % FFB from internal sources)

During interview and observation in Mandau POM, known that all persons responsible in supply chain can demonstrate the procedures and on the implementation of RSPO SCCS standard, however at the time of recertification assessment the mill (Mandau POM) only receipt from own estates.

Status: Comply

**E.4 Purchasing and goods in**

**E.4.1**

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

Mandau POM can shows the record of certified and un-certified FFB received during the license period :

- **Certified and non-certified FFB received period of 19 Oct 2016 to 10 July 2017**

Month	FFB		
	RSPO Certified	Non Certified	Total
Oct'16	9,387.67	38.65	9,426.32
Nov'16	20,572.63	748.42	21,321.05
Dec'16	18,419.86	316.44	18,736.3
Jan'17	18,955.8	647.31	19,603.11
Feb'17	16,743.2	202.44	16,945.64
Mar'17	16,500.2	-	16,500.2
Apr'17	15,410.06	-	15,410.06
May'17	14,097.7	-	14,097.7
Jun'17	12,025.74		12,025.74
10 Jul'17	5,434.07		5,434.07

From the table known that since March 2017 the mill does not receive the FFB from uncertified source.

Status: Comply

**E.4.2**

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

Mandau POM has established the projection of CSPO and CSPK which will be generated during the license period of 19 October 2016 s.d 18 Oct 2017. Records of actual certified products are stored and maintained during the period, based on document review it is known that there is no overproduction of the projection. These data can be seen in the following table:

License Period	FFB (Ton)		CPO (Ton)		Palm Kernel (Ton)	
	Projection	Actual 19 Oct '16 – 10 July '17	Projection	Actual 19 Oct '16 – 10 July '17	Projection	Actual 19 Oct '16 – 10 July '17

19 October 2016 s.d 18 Oct 2017	186,429	147,546.93	41,946	33,228.9	10,254	7,058.47
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Status: Comply

E.5 Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

The Mandau POM has recorded and balances all the product produce in three monthly basis for period of 19 Oct 2016 to 10 July 2017:

CSPO

Month	FFB Process			CPO Produced			CPO Sales			CPO Balance		
	Total	Certifd	Non-certd	CSPO - MB	Non CSP O	Total CPO	CSP O- MB	Non-Certifed	Total	CSPO- MB	Non CSPO	Physical Stock
										1510.3	0	1510.3
Oct'16	9,926.3	9,897.3	29.0	2,218.6	6.5	2,225.1	0.0	2,409.2	2,409.2	1,319.7	6.5	1,326.2
Nov'16	21,321.1	20,575.3	745.7	4,578.3	165.4	4,743.6	0.0	4,111.0	4,111.0	1,786.9	171.9	1,958.8
Dec'16	18,736.3	18,395.3	341.0	4,142.3	77.7	4,219.9	0.0	4,660.1	4,660.1	1,269.1	249.6	1,518.7
Recon								0.0	0.0	1,269.1	249.6	1,518.7
Jan'17	19,603.1	18,977.0	626.1	4,343.4	142.6	4,486.0	0.0	4,463.5	4,463.5	1,149.0	392.2	1,541.2
Feb'17	16,945.6	16,737.2	208.4	3,741.5	46.8	3,788.3	0.0	2,871.3	2,871.3	2,862.9	-404.7	2,458.1
Mar'17	16,500.2	16,500.2	0.0	3,645.8	0.0	3,645.8	0.0	4,281.1	4,281.1	2,333.9	-511.1	1,822.8
Recon, MB upgrade to IP on 10 Apr 2017								0.0	0.0	1,822.8	0.0	1,822.8
Apr'17	15,410.1	15,410.1	0.0	3,474.6	0.0	3,474.6	0.0	4,491.7	4,491.7	805.8	0.0	805.8
May'17	14,097.7	14,097.7		3,243.8		3,243.8	0.0	3,180.9	3,180.9	868.7	0.0	868.7
Jun'17	12,025.7	12,025.7		2,702.5		2,702.5	0.0	2,957.3	2,957.3	613.9	0.0	613.9
Recon								0.0	0.0	613.9		613.9
10 Jul'17	5,254.1	5,254.1	0.0	1,137.7	0.0	1,137.7	60.0	922.8	982.8	768.8	0.0	768.8
Total	149,820.2	147,869.8	1,950.3	33,228.5	438.9	33,667.4	60.0	34,348.9	34,408.9			

CSPK

Month	FFB Process			PK Produced			PK Sales			PK Balance			
	Total	Certifed	Non Certifed	CSP K- MB	Non CSP O	Total PK	IP	CSPK MB	Noncertified	Total	CSPK MB	Physical Stock	
Oct'16	9,926.3	9,897.3	29.0	460.6	1.8	462.4	0.0	359.9	24.2	384.2	225.0	-22.5	202.6



		3												
Nov'16	21,321.1	20,575.3	745.7	924.1	33.8	957.9	0.0	715.8	293.7	1,009.5	433.4	-282.4	151.0	
Dec'16	18,736.3	18,395.3	341.0	881.0	15.9	896.9	0.0	595.8	309.8	905.6	718.6	-576.3	142.3	
Recon									0.0	0.0	142.3	0.0	142.3	
Jan'17	19,603.1	18,977.0	626.1	950.7	31.1	981.8	0.0	505.6	436.6	942.2	587.5	-405.5	182.0	
Feb'17	16,945.6	16,737.2	208.4	810.9	10.2	821.1	0.0	845.1	53.9	899.1	553.3	-449.3	104.0	
Mar'17	16,500.2	16,500.2	0.0	777.9	0.0	777.9	0.0	840.5	0.0	840.5	490.6	-449.3	41.3	
<b>Recon, MB upgrade to IP on 10 Apr 2017</b>										0.0	0.0	41.3	0.0	41.3
Apr'17	15,410.1	15,410.1	0.0	786.4	0.0	786.4	0.0	715.9	0.0	715.9	111.8	0.0	111.8	
May'17	14,097.7	14,097.7		698.3		698.3	0.0	708.2	0.0	708.2	101.8		101.8	
Jun'17	12,025.7	12,025.7		553.2		553.2	579.8	0.0	0.0	579.8	75.2		75.2	
Recon									0.0	0.0	75.2		75.2	
10 Jul'17	5,254.1	5,254.1	0.0	215.4	0.0	215.4	237.9	0.0	0.0	237.9	52.7	0.0	52.7	
Total	149,820.2	147,869.8	1,950.3	7,058.5	92.7	7,151.2	817.8	5,286.9	1,118.3	7,222.9				

Based on the mass balance report known that all certified products sold derived from positive stock.

**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.**

Mandau POM does not outsources to an independent palm kernel crush, the entire PK are sell to Mandau KCP.

**Status: Comply**

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

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

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

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

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

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

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

3.5.1 Identification of Findings, Corrective Actions and Observations at *Re-Certification* Assessment

<b>NCR No.</b>	: 2017.01	<b>Issued by</b>	: Moh. Arif Yusni
<b>Date Issued</b>	: 15 July 2017	<b>Time Limit</b>	: Prior issued certificate
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 21 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 2.1.1 There is compliance with all applicable local, national and ratified international laws and regulations.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>The Company has not been able to show evidence of compliance with the minister of labor and transmigration decree No. 102 of 2004 concerning Overtime and Overtime Wages, Article 11 about the calculation of overtime wages, section (b) which states: "If overtime is performed on weekly rest days and / or official holidays for 6 (six) Working days 40 (forty) hours a week then:</p> <ul style="list-style-type: none"> <li>- b.1. The calculation of overtime pay for the first 7 (seven) hours is paid 2 (two) hour wages, and the eighth hour is paid 3 (three) hour wages and the ninth and tenth overtime hours are paid 4 (four) hour wages.</li> </ul> <p>Based on the results of the review of the Overtime Calculation document in May and June 2017 and the results of interviews with management it is known that there are security personnel (security guards) in Mandau POM working overtime on weekly rest days for 16 Hours (e.g. Security (1person) commander on 18, 25, 26 June 2017 and a security guard of 1 person on 7, 11, May 14, 2016,). However, based on the calculation of overtime wage, it is known that the calculation method used is 7 (seven) hours at time 2 (two) and the next clock multiplied by 3 (three).</p> <p>Based on this finding, the CH have not been provide the evidence related to compliances with rules and regulations</p>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Mechanism of calculation of overtime wages contained in the Collective Labor Agreement (CLA) No. KEP.5601 DTKT-PHIJ I PKB 12015/50 period of 2015-2017 is not referred to the Kepmenaker. 102 of 2004 and there is no direction from the Labor Agency regarding this matter prior to the signing of CLA and its approval.			
<b>Correction</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>✓ Submit an application letter to the Labor Agency regarding the understanding of Ministerial Decree no. 102 of 2004 and subsequent action (refer to attachment 1)</li> <li>✓ Making revisions to the mechanism of calculation of overtime payment in accordance with direction of Labor Agency starting on 1/7/2017 (refer to attachment 2)</li> </ul>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Tindakan Korekif</b> <i>(dilengkapi oleh organisasi yang diaudit):</i>			
Will considering and referring to all applicable laws and regulations in the preparation next CLA			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification on 31 July 2017</b>			
<p>The Company submitted the corrective action evidence, such as:</p> <ul style="list-style-type: none"> <li>• The evidence of communication between companies with Labor Agency Bengkalis regent on July 20, 2017 (letter No. AD-KM/VII/2017-34 in regard of request of explanation on the calculation of overtime wages in accordance with Permenaker No. 102 Year 2004 and addressed by the Labor Agency and explaining that the calculation of overtime wages shall in referring to the provisions of Article 11 of Permenaker No. 102 Year 2004.</li> <li>• Available revisions of the list of aproval form and overtime calculation which has been referred to Article 11 Permenaker No. 102 Year 2004</li> <li>• Available the recapitulation of calculation of employees' overtime wages in July 2017 which has been</li> </ul>			

referring to Article 11 Permenaker No. 102 of 2004, for example for Security MPOM (Worker No. 118), working overtime for 12 hours on July 16, 2017, has been paid for the first 7 hours multiplied by 2, 1 hour later (hour 8) multiplied by 3 and 4 hours later multiplied by 4, so that the total wages which will be paid is 33 hours. However, the company has not been able to show the evidence that the overtime wages payment.

**Verification on 21 August 2017**

The Company has been show the evidence of overtime wages referring to Article 11 of Permenakaer No 102 of 2004 for the period of July 2017 and evidence of payment, for example for security employees at Mandau POM (Worker No. 118) with total overtime in July 2017 is 366.5 hours.

Based on above explanation the NC stated fulfilled and will be observed in the next assessment.

**Verified by** : **Moh Arif Yusni**

<b>NCR No.</b>	: 2017.02	<b>Issued by</b>	: Yohanes Hardian
<b>Date Issued</b>	: 15 Juli 2017	<b>Time Limit</b>	: 14 Juli 2018
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 4 August 2017
<b>Standard Ref. &amp; Requirement</b>	4.4.2 Protection of water courses and wetlands including securing and mantaning appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.		
<b>Non-Conformance Description</b>			
The Company has not implemented water body protection in accordance with SOP no 9 (Groundwater Quality and Surface Water) which mentions protecting water reservoir areas such as reservoirs and springs (buffer zone) as wide as 20 meters.			
<b>Evidence observed (filled by auditor):</b>			
Based on the results of housing KM1 field visit, spotted traces of chemical spraying to the edge of the the reservoir and there is no marking of the chemical application ban.			
<b>Root Cause Analysis (filled by organization audited):</b>			
Reservoirs in KM1 have not been categorized as conservation areas, so there is no marking of ban for spraying and fertilizing in the area.			
<b>Correction (filled by organization audited):</b>			
Identified the water source and its usage as well as the management plan; installed the sign of spraying ban in the area.			
<b>Corrective Action (filled by organization audited):</b>			
Routinely conduct the socialization to sprayers and fertilizer team in regard of the prohibition to spray in the riparian (buffer zone). As well as regularly monitoring of water body' buffer-zone, which is carried out by the designated in-charge.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verification on 31 Juli 2017,</b>			
The Company has shown the evidence of corrective action, namely: the identification of water sources on July 24, 2017, for all estate (KM1, KM2, KM3, KM4, KM5, KM6), in the document also describes the action plans, status,			

including the separation of water bodies into conservation areas and reservoirs made by companies as a water source for firefighters. Locations (estate, division and block) have been described in the document. In addition there is evidence of marking between water bodies and water point for fire-fighting such as plank marks (for water point of fire-fighting) and spray boundary markers for water bodies (conservation), evidence of socialization to employees.

**Verification on 4 August 2017**

Perusahaan telah menunjukkan bukti checklist pemeriksaan sempadan sungai dan sumber air di areal perusahaan pada tanggal 27 juli 2017 dengan demikian Ketidaksesuaian 2017.02 telah terpenuhi

The Company has presented evidence of checks on river and water sources borders in the company area on 27 July 2017 so that the 2017.02 Mismatch has been fulfilled

**Verified by** : **Yohanes Hardian**

<b>NCR No.</b>	: <b>2017.03</b>	<b>Issued by</b>	: <b>Yohanes Hardian</b>
<b>Date Issued</b>	: <b>15 Juli 2017</b>	<b>Time Limit</b>	: <b>ASA 1.1</b>
<b>NC Grade</b>	: <b>MINOR</b>	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b> <b>Acuan Standar &amp; Persyaratan</b>	: <b>5.2.4.</b> <b>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available and the result of monitoring are to be used to follow-up the improvement of the management plan.</b>		
<b>Non-Conformance Description</b> The company has not yet implemented protection for fauna located around SOP 15. Identification and Management of HCV, Flora and Fauna			
<b>Evidence observed (filled by auditor):</b> Based on the results of the visit at the boundary pole 82 at block 2004 C was found a net for bird and bat traps in the plantation area			
<b>Root Cause Analysis (filled by organization audited):</b> Has not yet stated in the SSOP 15 regarding on mechanism of monitoring of hunting activities of important species.			
<b>Correction (filled by organization audited):</b> Revisions on SSOP on mechanism for monitoring of hunting activities especially for important species and implemented the SSOP through regularly and routinely monitoring.			
<b>Corrective Action (filled by organization audited):</b> Socialization the SSOP revision to the officer in charge and to all employees.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Evaluation on 4 August 2017</b> The Company has shown evidence of corrective action: Revision of SSPO of monitoring mechanism for hunting activities of important species in the plantation area, in the SSOP has been added the procedure of monitoring activities of hunting by security guards, conducting socialization of sanctions to workers, and reporting to the authorities if found violating activities. Socialization of SSOP 15 to the officer in-charge such as security guard and staff on 31 June 2017 and to all employees on 28 July 2017 Monitoring activities have been recorded in the Monitoring' Log-book of Fire and Poaching of Wild Animals			

Based on evidence describes above, the NCR No.2017.03 stated fulfilled.

Verified by : Yohanes hardian

### 3.5.4 Noteworthy Positive Components

No	Ref. Std.	Description Deskripsi
1	4.7.1	Review of employee health inspection procedure refers to Permenkes No. 3 Year 1986
2	4.7.2	Monitoring of the implementation of risk identification and control in restricted areas (Wastewater Treatment Installation)
3	4.7.5	Emergency response preparedness
4	6.3.2	Progress of the ongoing industrial relations settlement in the Industrial relations court
5	6.5.2	Improve monitoring on the implementation of company policy on prohibition to bring others to help the work (family gank)
6	7.3.1	Completed RACP process before 2018 (ASA-1.1)



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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Labour Union PlantaioN Level PT Adei Indutry and Plantation</b> Result of the consultation:</p> <ul style="list-style-type: none"> <li>The Companies expected to communicate and dialogue with unions.</li> <li>The company not provide facilitates and encourages trade union activity for example the company not provide base camp ar office for the Union</li> <li>No schedule periodic meetings with the company, but the company has never refused a request dialogue with unions.</li> <li>No complaints of discrimination and human rights violations.</li> <li>The company provides PPE for free.</li> <li>Employee complained aout overtime calculation</li> </ul>	<p>The Company has complied the labor rights, consist of:</p> <ol style="list-style-type: none"> <li>Compliance wages including overtime pay (See on indicator 2.1) and its ecome Non Conformity</li> <li>Complied of OHS (See on indicator 4.7)</li> <li>Not available discrimination (See on indicator 6.8)</li> <li>Child labor does not existing (See on indicator 6.7)</li> </ol>
<p><b>Gender Committee (Head of Gender Commite</b></p> <ul style="list-style-type: none"> <li>The protection for female workers are: <ol style="list-style-type: none"> <li>The pregnant women workers are given 3 months childbirth day off with full paid wage.</li> <li>Non-permanent women workers are given 3 months childbirth day off with full paid wage and no contract termination).</li> </ol> </li> <li>The company's support over the gender committee such as</li> </ul>	<p>The management unit PT Adei Plantation and Industry has had gender composition of committees and there are meeting activities which are conducted regularly. Suppose a meeting on sexual harassment and protection of the rights of women workers (see 6.9)</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>assistance for transportation and consumption for the meeting.</p> <ul style="list-style-type: none"> <li>- Procedure of specific complain such as sexual harasshment and domestic violence are attached on the announcement board</li> <li>- Gender committee held socialization of women worker's rights such as breastfeeding women workers, pregnant day off and childbirth day off.</li> <li>-</li> </ul>	
<p><b>Head of Penasso / Head Of Sakai Community</b></p> <ul style="list-style-type: none"> <li>• Assistance to communities such as: heavy equipment for road repairs, land preparation for public facilities, custom and religious celebrations, orphans' aid.</li> <li>• Improved transportation access to the village</li> <li>• Donation for culture such as renovation of the tomb <i>Datuk Berdarah Putih</i></li> <li>• In general, the relationship with the village community is quite good, especially the community directly adjacent to the company. Communication is very easy with company staff including with estate manager.</li> <li>• There is no issue of disputes and land issues in the core area of PT. ADEI Plantation, all traditional or private areas have been reimbursed at the beginning of plantation development</li> <li>• The company has conducted socialization of flora and fauna protection, communication method, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• The company involved socialization of flora and fauna protection at criteria 5.2,</li> <li>• The company involved members of local community as a local contractor. See on indicator 6.10.1.</li> <li>• There are no land disputes since of ASA 04. See on Indicator 2.31 and 2.3.3</li> <li>• Contribution of local development in the form of CSR support to local community at criteria 6.11</li> </ul>
<p><b>Head of Antutui village</b></p> <ul style="list-style-type: none"> <li>- There are no issues of disputes and land in the core area of PT. ADEI Plantation.</li> <li>- In the field of CSR the company provides sacrificial animal and mushola carpets and heavy equepment for road repair.</li> <li>- In general, the relationship with the village community is quite good, especially the community directly adjacent to the company. Communication is very easy with company staff including with estate manager.</li> <li>- The Company has conducted socialization of flora and fauna protection, communication methods, etc.</li> <li>- No local contractor works in PT Adei because most of the local contractors in the village are PT Cevron contractors.</li> </ul>	<ul style="list-style-type: none"> <li>- The company involved socialization of flora and fauna protection at criteria 5.2,</li> <li>- The company involved members of local community as a local contractor. See on indicator 6.10.1.</li> <li>- There are no land disputes since of ASA 04. See on Indicator 2.31 and 2.3.3</li> <li>- Contribution of local development in the form of CSR support to local community at criteria 6.11</li> </ul>
<p><b>Head of Koto Pait Village</b></p> <ul style="list-style-type: none"> <li>- There are no issues of disputes and land in the core area of PT. ADEI Plantation.</li> <li>- In the field of CSR the company provides sacrificial animal and mushola carpets and heavy equepment for road repair.</li> <li>- In general, the relationship with the village community is quite good, especially the community directly adjacent</li> </ul>	<ul style="list-style-type: none"> <li>- The company involved socialization of flora and fauna protection at criteria 5.2,</li> <li>- The company involved members of local community as a local contractor. See on indicator 6.10.1.</li> <li>- There are no land disputes since of ASA 04. See on Indicator 2.31 and 2.3.3</li> <li>- Contribution of local development in the form of CSR support to local community at criteria 6.11</li> </ul>



<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Responses</b>
<p>to the company. Communication is very easy with company staff including with estate manager.</p> <ul style="list-style-type: none"> <li>- The Company has conducted socialization of flora and fauna protection, communication methods, etc.</li> <li>- The company provides information when there is a job vacancy</li> </ul>	
<p><b>Environment Agency</b></p> <ul style="list-style-type: none"> <li>• The Company already has an extension of TPS LB3 license in PKS, but for TPS LB3 KMU and KMS is still in process.</li> <li>• The Company already has an AMDAL of 2016 and an Environmental Permit Decree of 2017</li> <li>• The company is expected to have an environmental CSR program such as coaching activities for Adiwiyata School, afforestation, climate village and others.</li> <li>• Companies are encouraged to pay more attention to domestic waste management.</li> <li>• The Company has reported compulsory reports on a regular basis within the stipulated time.</li> <li>• Communication between companies and stakeholders is good</li> </ul>	<p>Auditor has verified the compliance regarding to the environment aspects, the entire explanation on C5.1 and C5.3</p>
<p><b>Plantation Agency</b></p> <ul style="list-style-type: none"> <li>• Communication between companies and stakeholders is good. Communication is done both orally and by sending a letter.</li> <li>• Plantation Business Development Report has been reported regularly.</li> <li>• There are indigenous peoples in the surrounding company, Sakai.</li> <li>• There are no negative issues about the company.</li> </ul>	<p>The company has IUP and legal ownership, it has been verified and explained in C 2.2</p>
<p><b>Labor Union of Serikat Buruh Seluruh Indonesia</b></p> <ul style="list-style-type: none"> <li>• The Company plays an active role in any existing dispute settlement.</li> <li>• SPSI assists the company in monitoring employee status in order to stay in compliance with prevailing regulations.</li> <li>• There are no negative issues related to employment and industrial relations aspects</li> </ul> <p><b>Labor Union of Serikat Buruh Riau Independen</b></p> <ul style="list-style-type: none"> <li>• The company still employs workers in the field who have no working relationship with the company.</li> <li>• There are security (centeng) paid under the minimum wage set (Rp.750.000)</li> </ul>	<p>The auditor has been verified regarding to the employment issues, the explanation can be found on C6.7.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Here under sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>PT Adei Plantation and Industry Group Manager</p>  <p><b><u>Syed Zainal</u></b> Monday, 21 August 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Sandra Purba</u></b> Monday, 21 August 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Jikalahari	Jl. Angsa I No. 4B Kampung Melayu, Sukajadi Pekanbaru 28000 - RIAU	sekretariat@jikalahari.org	Email	5 July 2017		√
2.	Walhi	Jl. Katio No.3 RT/RW 02/18 Kelurahan Tangerang Tengah Kecamatan Marpoyan Damai, Kota Pekanbaru	info@walhi.riau@yahoo.com	Email	5 July 2017		√
3.	Sawit Watch	Perum Bogor Baru Taman Jl. Cisangkui, Blok B6 No. 1 Bogor, Jawa Barat, 16127	Sawitwatch.or.id	Email	5 July 2017		√
4.	Aman	Jl. Tebet Timur Dalam Raya No. 11 A Kel. Tebet Timur, Kec. Tebet, Jakarta Selatan. Kode pos : 12820	rumahaman@cbn.net.id	Email	5 July 2017		√
5.	Headman of Penasso	Desa Penaso	-	Interview	12 July 2017	√	
6.	Headman of Antutui	Desa Antutui	-	Interview	12 July 2017	√	
7.	Headman of Koto Pait	Desa Koto Pait	-	Interview	12 July 2017	√	
8.	BLH Kabupaten Bengkalis	Bengkalis, Riau	-	Interview	13 July 2017	√	
9.	Dinas Pertanian Kabupaten Bengkalis	Bengkalis, Riau				√	
10.	Serikat Pekerja Seluruh Indonesia	Bengkalis, Riau	-	Interview		√	
11.	Serikat Buruh Riau Independen	Bengkalis, Riau	-	Interview		√	
12.	<b>Internal Stakeholder</b> <u>Mandau 1 Estate</u> Spraying Team → 9 Persons Harvesting Team → 7 Persons  <u>Mandau 2 Estate</u> Spraying Team → 6 Persons Harvesting Team → 4 Persons Drainage Maintenance → 2 Persons Transport FFB → 2 Persons	Bengkalis, Riau	-	Interview			√

<p><u>Mandau 6 Estate</u>  Land Application Operator  → 1 Person  Harvesting Team → 3  Persons  Spraying Team → 7 Persons</p> <p><u>Mandau POM</u>  Engine Room Operator → 2  Person  WTP Operator → 1 Person  Grading Operator → 1  Person  Boiler Operator → 1 Person  WWTP Operator → 1  Person</p>						
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Appendix 2. Assessment Program

DATE / TANGGAL		10 – 15 July 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
<b>Monday, 10 July 2017</b>			
06.00 – 08.30	06.00 – 08.30	<b>JAKARTA → Pekanbaru</b>	SDP / MAY / YHN / SAP / FLI
09.00 – 12.00	09.00 – 12.00	<b>Pekanbaru → PT. Adei Plantation &amp; Industry, Kebun Mandau</b>	
14.00– 15.00	14.00– 15.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	SDP / MAY / YHN / SAP / FLI
15.00– 17.00	15.00– 17.00	<b>Documents Review</b> <ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> </ul>	
<b>Tuesday, 11 July 2017</b>			
08.00 – 10.00	08.00 – 10.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	SDP / MAY / YHN / SAP / FLI
10.00 – 12.00	10.00 – 12.00	<b>Field observation to MANDAU POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> </ul> <b>Mandau 1</b> <ul style="list-style-type: none"> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>✓ Continuing to field observation (if any)</li> <li>✓ Documents Review</li> </ul>	SDP / MAY / YHN / SAP

DATE / TANGGAL		10 – 15 July 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
		<ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> </ul>	
<b>Wednesday, 12 July 2017</b>			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li><b>Field Observation to KEBUN MANDAU 1</b> Aspect to be verified :               <ul style="list-style-type: none"> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> </ul> </li> <li>Konsultasi Publik ke Intansi terkait di Kabupaten Bengkalis</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier</li> </ul>	<ul style="list-style-type: none"> <li>MAY / SAP</li> <li>FL</li> <li>SP/YHR</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>	SDP / MAY / YHN / SAP / FLI
<b>Thursday, 13 July 2017</b>			
08.00 – 11.00	08.00 – 11.00	<ul style="list-style-type: none"> <li><b>Field Observation to KEBUN MANDAU 2</b> Aspect to be verified :               <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul> </li> <li>Stakeholder consultation to affected communities surrounding the plantations.</li> </ul>	<ul style="list-style-type: none"> <li>SDP</li> <li>MAY / SAP</li> <li>FLI</li> <li>FLI</li> <li>YHR</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>	SDP / MAY / YHN / SAP / FLI

DATE / TANGGAL		10 – 15 July 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
<b>Friday, 14 July 2017</b>			
08.00 – 11.00	08.00 – 11.00	<b>Field Observation to KEBUN MANDAU 6</b> Aspect to be verified : <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• SDP / YHN</li> <li>• MAY / SAP</li> <li>• FLI</li> <li>• FLI</li> </ul>
11.30 – 14.00	11.30 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	SDP / MAY / YHN / SAP / FLI
<b>Saturday, 15 July 2017</b>			
07.00 – 08.00	– 08.00	<ul style="list-style-type: none"> <li>• Internal discussion by auditor team preparing for Closing Meeting</li> </ul>	
08.00 – 09.00	08.00 – 09.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> <li>• Comments, Responses and Questions</li> </ul>	SDP / MAY / YHN / SAP / FLI
09.30 – 13.00	09.30 – 13.00	<b>Kebun Mandau – Pekanbaru</b>	
14.30 -	14.30 -	<b>Pekanbaru - Jakarta</b>	