Roundtable on Sustainable Palm Oil
Supply Chain Certification Report
Report no.: SCCS-15013
Assessment against RSPO Supply Chain Certification Systems 2011

PT NUBIKA JAYA
Refinery, Oleochemical and Kernel Crushing Plant
Labuhan Batu Selatan, North Sumatera Province
Indonesia

Date of assessment:
December 11 – 12, 2014

Report prepared by:
Mhd Fundy Cholis Kurniawan
(RSPO Lead Auditor)

Certification decision by:
M. Basharul Asana
(Head of Certification Body of PT TUV Rheinland Indonesia)

Certification Body:
PT TUV Rheinland Indonesia
Menara Karya, 10th Floor
Jl. H.R. Rasuna Said Block X-5 Kav.1-2
Jakarta 12950, Indonesia
Tel: +62 21 57944579
Fax: +62 21 57944575
www.tuv.com/id
TABLE OF CONTENTS

TABLE OF CONTENTS ......................................................................................................................... 2

1.0 SCOPE OF SUPPLY CHAIN CERTIFICATION ASSESSMENT ............................................. 3

1.1 Executive Summary and Scope of Assessment .............................................................................. 3
1.2 Certification Details ....................................................................................................................... 3
1.3 Organisational Information / Contact Person ............................................................................. 3
1.4 Actual production volumes and projected outputs ........................................................................... 4
Table 3: Records of Certified Material Received/ Purchased * ............................................................... 4
Table 5: Records of Palm Oil Product Sold* .......................................................................................... 4
1.5 Summary of Previous Assessment ................................................................................................. 4

2.0 ASSESSMENT PROCESS ............................................................................................................. 5

2.1 Certification Body .......................................................................................................................... 5
2.2 Qualifications of Lead Assessor and Assessment Team ................................................................. 5
2.3 Assessment Methodology & Agenda ............................................................................................. 5

3.0 ASSESSMENT FINDINGS ............................................................................................................ 6

3.1 Description of Supply Chain Management System ......................................................................... 6
Section 1: General Chain of Custody System Requirements for the Supply Chain .............................. 6
Section 3: Modular Requirements: Module C – Mass Balance .............................................................. 11
3.2 Identified Non-conformances against RSPO SCCS Requirements, Corrective Actions Taken and Auditors Conclusions .......................................................... 14
3.3 Conclusion and Recommendation for RSPO Supply Chain Certification ..................................... 14

4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY ......................................................................................................................... 15

4.1 Date of Next Surveillance Visit ...................................................................................................... 15
4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client ............................... 15

APPENDICES ..................................................................................................................................... 16

Appendix 1: Details of Supply Chain Certification Certificate ............................................................ 16
Appendix 2: List of Abbreviations ....................................................................................................... 18
Appendix 3: Observations and Opportunities for Improvement ............................................................ 18
Appendix 4: Supply Chain Certification Audit Closing Meeting Summary ......................................... 18
Appendix 5: List of Certified Product and Projection for year 2014 ...................................................... 18
Appendix 6: List of Certified Supplier and Buyer ................................................................................. 19
1.0 SCOPE OF SUPPLY CHAIN CERTIFICATION ASSESSMENT

1.1 Executive Summary and Scope of Assessment

The operations of PT Nubika Jaya were assessed against General Module and Module C of the RSPO Supply Chain Certification (SCC) document (November 2011). The scope of the Supply Chain Certification assessment covers the implementation of the Mass Balance supply chain model of PT Nubika Jaya (NBK). This is a single site certification. According to information stated on Foreign Investment Principle license (“Ijin Prinsip perluasan Penanaman Modal Asing”) No. 98/V/PMA/2007 dated Juni 13, 2006, the mill has capacity has:

<table>
<thead>
<tr>
<th>No.</th>
<th>Product</th>
<th>Output (tones)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CPKO</td>
<td>47,957</td>
</tr>
<tr>
<td>2.</td>
<td>PFAD</td>
<td>12,600</td>
</tr>
<tr>
<td>3.</td>
<td>PKFAD</td>
<td>243,209</td>
</tr>
<tr>
<td>4.</td>
<td>RBDPO</td>
<td>285,600</td>
</tr>
<tr>
<td>5.</td>
<td>RBDPKO</td>
<td>6,106</td>
</tr>
<tr>
<td>6.</td>
<td>Olein</td>
<td>229,500</td>
</tr>
<tr>
<td>7.</td>
<td>Stearin</td>
<td>56,100</td>
</tr>
<tr>
<td>8.</td>
<td>Fatty Acid</td>
<td>184,622</td>
</tr>
<tr>
<td>9.</td>
<td>Glycerine 99.7%</td>
<td>142,017</td>
</tr>
<tr>
<td>10.</td>
<td>Soap Noddle</td>
<td>12,000</td>
</tr>
<tr>
<td>11.</td>
<td>Beading</td>
<td>79,000</td>
</tr>
</tbody>
</table>

The assessment was carried out on December 11 – 12, 2014 and a total of 1 (one) non-conformities were found.

1.2 Certification Details

The details of RSPO certification of PT Nubika Jaya are as per the table below

**Table 1: RSPO Supply Chain Certification details of PT Nubika Jaya**

Refer to Appendix 1 for further details of the RSPO Supply Chain certificate.

- **RSPO Membership no.**: 2-0043-06-000-00
- **RSPO Supply Chain Certificate no.**: 824 503 15013
- **Date of RSPO Supply Chain certificate & validity**: 2015-02-25 to 2020-02-24

1.3 Organisational Information / Contact Person

Contacts details of the company are as follows:
1.4 Actual production volumes and projected outputs.
Certified tonnages claimed, certified tonnages purchased or sold, total and projected CPO and PK production from PT Nubika Jaya

Table 3: Records of Certified Material Received/ Purchased *

<table>
<thead>
<tr>
<th>Supplier</th>
<th>RSPO Certificate Number</th>
<th>Product</th>
<th>UTZ Number</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 5: Records of Palm Oil Product Sold*

<table>
<thead>
<tr>
<th>Buyer</th>
<th>RSPO Certificate Number</th>
<th>Product</th>
<th>UTZ Number</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: This is 1st certification audit, PT NBK is not purchase yet certified material and not claim yet certified product.

1.5 Summary of Previous Assessment
This is 1st certification audit.
2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TÜV Rheinland Indonesia is member of TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TÜV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, RSPO, ISPO (Indonesian Sustainable Palm Oil Certification), ISCC, Indonesian Timber Legality Verification (SVLK), as well as CDM Validations and Verifications. PT TÜV Rheinland Indonesia’s office is located in Jakarta, Indonesia.

2.2 Qualifications of Lead Assessor and Assessment Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Qualifications / Experience</th>
</tr>
</thead>
</table>
| M. Fundy Cholis Kurniawan | Lead Auditor            | **Education:** Master Degree in Natural Reseource and Environmental Management, Bogor Agriculture University  
**Working experience:** Experienced in Environmental Impact Assessment, Environmental Health Safety Senior Officer (EHS-Officer) in Wilmar International Plantation, Internal Auditor for Wilmar International Plantation, Auditor for Rountable on Sustainable Palm Oil (RSPO), Indonesian Sustainable Palm Oil (ISPO), Certification for Timber Legality Verification (SVLK) in PT TÜV Rheinland Indonesia since June 2012 – present. |
| Wahyu Wigati Wijayanti    | Auditor in trainee      | **Education:** Master Degree in Magister Management Agribusiness, Bogor Agriculture University  
**Trainings attended:** ISO 9001:2000 lead assessor course 2010 - CMS; ISO 14001 lead assessor course 2010 - CMS; OSHAS: 2007 training, Chain of Custody training for LEI System, RSPO lead Auditor training year 2014 by Pro Forest and Daemeter, ISPO Lead Auditor training  
**Working experience:** Professional forester since 1993 to 2010, Auditor for Chain of Custody (COC) Certification – LEI Standard, auditor for Environmental Management System (EMS) and Quality Management System (QMS) audits, Auditor for Rountable on Sustainable Palm Oil (RSPO), Indonesian Sustainable Palm Oil (ISPO), Certification for Timber Legality Verification (SVLK) since 2010 – present |

2.3 Assessment Methodology & Agenda

The supply chain certification assessment conducted on December 11 – 12, 2014 in PT Nubika Jaya as per the assessment program below. The assessment was carried out in accordance PT TÜV Rheinland Indonesia’s RSPO audit procedure as well as the RSPO Supply Chain Certification document through the method is sampling, interview, field visit, document check such as procedure and record of process. An on-site assessment was conducted and the assessment team carried out field (tank farm, storage tank and refinery) also document assessments of compliance to RSPO Supply Chain Certification System requirements.
The company proposed the correction and corrective action for all identified non-conformities raised to the certification body 30 days after the closing meeting. Verification of closure of non-conformances was conducted 30 days after the closing meeting of the main assessment. The certification assessment agenda is as explained below.

Main Assessment Agenda

<table>
<thead>
<tr>
<th>Date</th>
<th>Location/ Main sites</th>
<th>Main activities</th>
</tr>
</thead>
</table>
| December 11, 2014 | PT NBK production facility process | 1. Opening Meeting  
2. Plant Tour:  
   - Incoming material at tank farm in loading area for MB material  
   - Storage tank for MB material  
   - Production process for MB material (Refinery, Biodiesel and Kernel Crushing Plant)  
3. System management documentation  
4. Purchasing activity  
5. Outsourcing Activity for MB |
| December 12, 2014 | PT NBK production facility process | 1. Mass Balance  
2. Training  
3. Sales and outgoing product  
4. Production Process  
5. Preparing for closing meeting  
6. Closing Meeting and Present Finding |

3.0 ASSESSMENT FINDINGS

3.1 Description of Supply Chain Management System

The following is a description of the findings pertaining to the company’s supply chain management system according to the RSPO SCCS requirements, including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements:

Section 1: General Chain of Custody System Requirements for the Supply Chain

1. Applicability of the General Chain of Custody System Requirements for the supply chain

Findings:
PT Nubika Jaya (PT NBK) is a member of Permata Hijau Group. It is strategically located adjacent to North Sumatera Utara Highway, Indonesia. It is a bulk oil facility to refined and fractionated palm oil, and palm kernel oil.

Management PT Nubika Jaya has commitment to implement RSPO SCCS. The company’s supply chain management system integrated with the implementation of quality management systems at ISO 9001, 14001, HCCP, GMP+B2, Halal and ISCC. Following the nature of company’s material purchased availability for production facilities. PT NBK management decided to implement Mass Balance supply chain model (Module C), as stated on company’s quality manual to include all RSPO SCCS requirements. A set of standard operation procedure has been established for RSPO SCCS implementation.

During certification audit the company has demonstrate their implementation to SCCS system and relevant requirement through the simulation process. Also, the facility has appointed person who responsible for RSPO SCCS system implementation, i.e. Mr. Hardi Harmen as Management Reperesentative of PHG Group.
PT Nubika Jaya is RSPO member under PHG Group (Permata Hijau Group) with membership number 2-0043-06-000-00.

Compliance status: Full Compliance

2. Documented procedures

Findings:
PT Nubika Jaya (NBK) has a set written procedures and working instruction to ensure implementation of all elements stated on RSPO SCCS year 2011. The procedures were updated and covering all activities in PT NBK including their subcontractor.

As stated on master list documents and records, there are:
1. No.NBK-PM-TU-01 incoming material administration procedure
2. No.NBK-PI-BS-02 incoming material procedure
3. No.NBK-PI-BS-03 incoming material from tankers procedure
4. No.NBK-PI-BS-04 loading export or local product to tankers procedure
5. No.NBK-PM-BS-02 product delivery administration procedure
6. No.NBK-PSU-TU-01 mass balance and traceability procedure
7. No.NBK-PIM-MR-02 non-conforming material handling procedure
8. No.NBK-PI-MR-01 document control procedure
9. No.NBK-PI-MR-02 record control procedure
10. No.NBK-PI-MR-02 record control procedure
11. No.NBK-IK-BLK/TF-05 sounding and temperature measurement instruction work.
12. No.NBK-IK-BLK/TF-02 product storage instruction work
13. No.NBK-PI-TU-01 training procedure

The name of the person having overal responsibility for and authority for the implementation of all RSPO SCCS requirement has bees assigned, i.e. the quality assurance/control manager (Mr. Hardi Harmen) is apointed as RSPO SCCS Management Representative for PHG Group. The corporate management representative will be assisted by each plant representative for daily activities, i.e.: Mr. Rommel Harahap as a Management Representative for Refinery, Mr. Ali Mukti Ritonga as as Management Representative for Oleochemical.

During the main assessment it was observed that all Management Representatives has good knowledge and able to demonstrate awareness of the facility’s procedures and process as well as implementation of RSPO SCCS requirement.

Compliance status: Full Compliance

3. Purchasing and goods in

Findings:
The facility has incoming material procedure i.e. no.NBK-PM-TU-01 effective date since October 1st, 2014 Rev 02. The procedure contain information about:
- Incoming raw materials that are categorized as sustainable and non sustainable material with kind of raw material is CPO, CPKO and RBDPO.
- The production clerk check supplier validity certificate and to ensure that incoming raw material come from certified supplier.

The procedure also explain acceptance criteria for incoming material (CPO, CPKO and RBDPO) both for sustainable (certified) and non sustainable (non certified). Delivery note from suplier shall include information about:
- Supplier name and certification system
- Certificate number
- Unique number from delivery note
- Name and supplier address
- Name and buyer address
- Contract number
- Types of product
- Delivery date
- Quantity product
- Country of origin

All information stated on delivery notes will be verify by production staff to ensure that all physically material confirm with the informations stated on the notes such as
- Product information confirm with delivery order
- Certified claim confirm with the selected model (MB, SG or IP)
- Self declaration copy
- Check for conformity supplier data for RSPO product certification list supplier

The company established traceability procedure i.e., procedure number No.NBK-PSU-TU-01 Rev 01 dated on October 1st, 2014 about certified raw material purchase, mentioned:
- Specially for sustainable product all of supplier is shall be RSPO or ISCC certified and also should be submit the copy of certificate to the facility and also in contract purchase should be include the information of RSPO SCCS Model system.
- Transport division provide brifing about sustainable material/product transportation procedure and acceptance criteria to the transporter, the transporter understand the mechanism through by permission letter.
- Specially for subcontractor/third parties designated for sustainable raw material transport should be issue of self declaration (the draft must approved by facility).
- Trading division check the validity of supplier certificate number in once year.

During the main assessment, the facility still not purchases and sales raw material and product certified RSPO-SCCS MB. However the facility has been prepare the mechanism to ensure that incoming raw material is from certified supplier through check in facility list supplier, check the certificate validity RSPO number in RSPO website, as explained in facility procedure number No.NBK-PM-TU-01 about acceptance of incoming material administration.

The facility has mechanism for handling of non-conforming material as determined on document number No.NBK-PM-MR-02 dated on April 1st, 2014 Rev 01. The procedure explained about mechanism for non-conforming product handling i.e.:
- Re-process if possible to increase the quality, with additional notes “product does not contain the hazardous material”
- Down graded
- Discarded if found the material contain the hazardous material.
- Non-conforming product should be placed separately.

Compliance status: Full Compliance

4. Outsourcing activities

Findings:
Only one activity outsourced by the facility, i.e.: transport. The transport activity divided in two types by truck and by tankers.

Company has outsourced activity i.e to transport raw material and product by road tanker and vessel. Outsource activity by truck and by tankers is for transport of raw material and also product, whereas the outsources is:
- By truck:

<table>
<thead>
<tr>
<th>Name of transporter</th>
<th>Address</th>
<th>Contact person</th>
<th>Telephone number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aman Abadi, CV</td>
<td>Medan</td>
<td>Ms. Widya</td>
<td>+62 61 685 0294</td>
</tr>
<tr>
<td>Andalan Cahaya Sejahtera, PT</td>
<td>Pekanbaru</td>
<td>Ms. Cindy</td>
<td>+62 761 789 2096</td>
</tr>
<tr>
<td>Andalas Dinamika</td>
<td>Medan</td>
<td>Ms. Defi</td>
<td>+62 61 4142 377</td>
</tr>
<tr>
<td>Anugerah Multitrans Sumatra</td>
<td>Medan</td>
<td>Ms. Joni</td>
<td>+62 61 8448 347</td>
</tr>
<tr>
<td>Bumi Abadi Sejahtera</td>
<td>Medan</td>
<td>Ms. Joni</td>
<td>+62 61 6623 812</td>
</tr>
<tr>
<td>Garuda Mas</td>
<td>Medan</td>
<td>Toni</td>
<td>+62 821 62555077</td>
</tr>
<tr>
<td>Gloria</td>
<td>Padang</td>
<td>Ridwan</td>
<td>+62 821 67753991</td>
</tr>
</tbody>
</table>
RSPO Certification Assessment Report  
-PT Nubika Jaya, Labuhan Batu Selatan  
North Sumatera – Indonesia-

<table>
<thead>
<tr>
<th>Harapenta</th>
<th>Sidempuan</th>
<th>Penta</th>
<th>+62 813 65451133</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaya Pertama</td>
<td>Medan</td>
<td>Rudy</td>
<td>+62 61 4553 388</td>
</tr>
<tr>
<td>Lima Adil Makmur</td>
<td>Medan</td>
<td>Dewie</td>
<td>+62 61 8003 288</td>
</tr>
<tr>
<td>Maju Jaya Abadi</td>
<td>Dumai</td>
<td>Juni</td>
<td>+62 765 438877</td>
</tr>
<tr>
<td>Maju Terus</td>
<td>Medan</td>
<td>Karim</td>
<td>+62 853 60889999</td>
</tr>
<tr>
<td>Mestika Jaya</td>
<td>Medan</td>
<td>Rudy</td>
<td>+62 812 75881888</td>
</tr>
<tr>
<td>Mitra Jasa Transport</td>
<td>Medan</td>
<td>Suwandi</td>
<td>+62 852 28989888</td>
</tr>
<tr>
<td>Pelita Jaya</td>
<td>Medan</td>
<td>Caroline</td>
<td>+62 61 4514 134</td>
</tr>
<tr>
<td>Rahim</td>
<td>Dumai</td>
<td>Rahim</td>
<td>+62 813 65012233</td>
</tr>
<tr>
<td>Setia Jaya</td>
<td>Dumai</td>
<td>Lina</td>
<td>+62 852 78332030</td>
</tr>
<tr>
<td>Sinar Kayangan</td>
<td>Medan</td>
<td>Ayong</td>
<td>+62 811 618995</td>
</tr>
<tr>
<td>Sinar Maju</td>
<td>Medan</td>
<td>Maria</td>
<td>+62 61 7880 489</td>
</tr>
<tr>
<td>Teman Setia</td>
<td>Kisoran</td>
<td>Aing</td>
<td>+62 61 2344 947</td>
</tr>
<tr>
<td>Wahyu Mas</td>
<td>Medan</td>
<td>April</td>
<td>+62 61 76388153</td>
</tr>
</tbody>
</table>

2. By tankers:
- PT Sumber Surya Kencana Inhu, Contract number 059/SSKI-TC/VIII/2014, Address: Jl. Veteran No. 77, Pasar Kota Rengat, Indragiri Hulu, Riau – Indonesia, Contact Person Ms. Indah, Telephone +62 769 21333/22088; Email: indah_riani69@yahoo.com;
- PT Kharisma Pemasaran Bersama Nusantara, Contract number 35/KPBN/FN/25/X/2014, Address: Jl. Cut Meutia No. 11, RT.013 RW.05, Cikini, Menteng, Jakarta 10330, Indonesia, Contact Person Ms Fathmy and Mr Bhagas, Telephone +6 21 3106685/3907554; Email: fathmy.adryahara@kpbn.co.id and bhagasresearch@kpbn.co.id;
- PT Pelayaran Nasional Mitra Samudera Perkasa, Contract number 001/SPAL-FC/MSP-ADS/XI/2014, Address: Desa Talang Duku, Dusun Mentrang Berlayar RT.011 Maro Sebo, Muaro Jambi, Contact Person Ms Christin, Telephone +62 813 6677 0114; Email: pt.pmsp@hotmail.com;

The procedure mentions that if facility has new contractor or outsourcing activity, they will be informed to the certification body.

To ensure the RSPO SCCS system will be implemented, the facility has prepared Self Declaration format in each agreement. When statement in self declaration mentioned “the transporter will provide data related their activity of transporting raw material and product certified RSPO SCCS MB to the certification body designated by RSPO.

During the main assessment, there is no contract between facility and subcontractor/third parties (especially by truck) showed by the facility. So, there is no article of contract explained that all document related outsourced activity managed by the facility. This is non compliance with RSPO SCCS principle and criteria 5.4.2. Because the document related outsourced activity not available in the facility.

Compliance status: Non Compliance

SCCS Non-conformance 2015 – 01 of 02:
There is no contract for outsources trasport activity (by trcuk) between facility and contractor.

5. Sales and goods out

Findings:
Since this is 1st certification audit, the company has no purchase and sale activities for certified product RSPO SCCS MB. But the facility has procedure to control and manage the implementation of product delivery RSPO SCCS MB, which is set in:

1. Mass balance procedure and traceability procedure No.NBK-PSU-TU-01 Rev 01 dated on October 1st, 2014, in part of procedure mentioned for sustainable product delivery:
   - Delivery of certified product should be IN written order from trading division in Medan
   - On sales contract should be RSPO SCCS system applied will available
   - Sales document delivery RSPO SCCS product such as DO, weightbrigde, BL for tankers

QMF: RSPO-007c-13 rev.2
should be information about:
✓ Name and buyer address
✓ Name and sales address
✓ Delivery date
✓ Name of product
✓ Amount of product
✓ Information of RSPO SCCS model
✓ Certificate number

2. Certified product and non certified product delivery procedure No.NBK-PM-TU-02 dated on October 1st, 2014. The procedure mentioned about certified and non certified delivery product such as (CPO, CPKO, PME, RBDPO, RBDPKO, PFAD, PKFAD, Fatty Matter, and Glycerine). On the procedure mentioned that the security division should be report of loading permit letter to the production clerk to adjust the DO number, self declaration of transporter, entrance into weighbridge, and give the RSPO SCCS MB stamp with certificate number on weighbridge slip.

Based on record of simulation process, conducted in October 17, 2014, when the raw material received, production clerk ensure that the weighbridge slip from supplier has informed RSPO SCCS model, certificate number. After that, raw material obtained permission to the facility for process in refinery. The simulation process, has been equipped with:
- Purchase contract (has informed about name and address of buyer, name and address of seller, commodity, quantity, price, payment terms, deliver to/port discharge, delivery date, quality product).
- Self declaration

After production process, production clerk recorded sustainable product in to mass balance table. After finished process, if any transaction sales sustainable product, trading division Medan will inform to facility to prepare the sustainable product based on sales contract. If the quality requirement meet the buyer standard, person in charged will open storage tank and flowed the product in to the truck, then production clerk will inform to weighbridge clerk that will deliver sustainable product, and will complete with RSPO SCCS stamp in weighbridge slip and allowed to deliver.

Several records issued for outgoing product depend on the transfer method used such as:
- Vessel: Shipping Instruction (SI); Bill of lading (B/L); Certificate of Analysis, Cargo Manifest, Statement of Fact, and Self Declaration, and others
- Container or ISO Tank: Packing list, Bill of Lading (B/L), Certificate of Analysis, Manifest, Statement of Fact, Self Declaration, and others

In every document will stamp with SCCS MB. Where the person responsible for this have been getting training and simulation on the purchase and sale of the product certified MB, also the facility will distinguish the stamp.

Trading department issue invoice to customer after product loaded, the information on the invoice are:
- Contract number
- Invoice number
- Delivery order
- Buyer address
- Description of product
- Statement/or information about RSPO SCCS selection model with stamp

All information stated above can be verified during onsite audit through RSPO SCCS product simulation process.

Compliance status: Full Compliance

6. Registration

Findings:
PT Nubika Jaya is producing Edible and Non Edible Oil from supplied CPO and PK, the company has not established SOP for registration every transaction to RSPO IT System as required by RSPO-SCC standard and the control of IT system, implementation of this requirement will be cheked during next audit after certificate awarded.
7. Training

**Findings:**
The facility has training procedure number NBK-PI-TU-01 Rev 01 dated August 1st, 2014 and also training program for 2014. According to procedure of mass balance and traceability number NBK-PSU-TU-01 Rev 00 dated on October 1st, 2014 mentioned that all person who responsible in RSPO SCCS implementation should be trained at least every once year. Accordance to the training record showed that all key persons in facility trained of RSPO SCCS system conducted on August 12 – 15, 2014 and September 15 – 16, 2014, attended by 30 key persons of RSPO SCCS.

In 2015, the facility has programmed RSPO SCCS training for staff and operator, laboratory, analyst assistant in refinery, kernel crushing plant and biodiesel plant and this has been mentioned in training program with plan implementation date.

The facility has procedure number No.NBK-PSU-TU-01 dated on October 1st, 2014, mentioned “all document related sustainable product will keep in 10 years and delivered to Management Representative”.

**Compliance status:** Compliance

8. Claims

**Findings:**
The facility has not established SOP for making claims certified product according RSPO communication and claims. However company not claim the product directly, only require in relevant certified product, due company only produce intermediate product not finished good consumer product

**Compliance status:** Not Applicable for this time

---

### Section 3: Modular Requirements: Module C – Mass Balance

#### C.1. Processing

**Findings:**
Mechanism processing for MB SCCS system to ensure that all standard operation procedure can implemented in PT Nubika Jaya, the facility conduct RSPO production process simulation from incoming material until product dispatch on November 10, 2014 as observed on RSPO SCCS production simulation. Incoming material in PT Nubika Jaya by truck. Incoming material using truck will directly to the facility and still do checked slip delivery, RSPO SCCS model, stamp, and if confirm, raw material will be loaded in to tank farm. Raw material in PT Nubika Jaya is a CPO from supplier and own estate under PHG Group.

PT Nubika Jaya has storage tanks for raw material and for each product, i.e.:

A. For raw material (CPO)
   - Tank number 302, 103, 104, 102, 215

B. For product:
   - CPKO, tank number 101, 102, 123, 124
   - RBDPO, tank number 106, 107, 225
   - RBDPKO, tank number 218
   - PKFAD, tank number 109
   - Olein, tank number 216, 219
   - Stearin, tank number 214, 217, 321, 322
For transfer sustainable raw material and product, the facility using pipe lines, where the pipe lines used together, with flushing first.

Mass Balance and Traceability procedure number No.NBK-PSU-TU-01 dated on October 1st, 2014, on this procedure, has explained about receiving material with Mass Balance Model, should be include information about:

- Contract number/Delivery Order
- Self declaration
- RSPO SCCS model stamp and certificate number
- Origin of material
- Quantity

All of activity for mass balance since received raw material and processing until to finish product will be control by facility through the mass balance input system. This is arranged in work instruction number No.NBK-IK-TU-05 dated on October 1st, 2014 about work instruction for mass balance input RSPO SCCS. On mass balance table input has been separately between raw material and product certificate and non certificate.

For control of raw material quantity and certified product available in facility, has been control by work instruction about Mass Balance Table Input Data number No.NBK-IK-TU-05 dated on October 1st, 2014. When person incharge to input data is production clerk in each plant. In mass balance table has been describe information such as:

- Opening stock for certified raw material
- Opening stock for non certified raw material
- Total certified and non certified raw material
- Total quantity of certified and non certified product
- Total quantity delivered product certified and non certified
- And others.

All of information about mass balance system has been described and will apply when the facility has run their certified production.

All documents related sustainability MB product since receiving material until product discharge will be stamped by sustainable stamp with MB code and keep the records for 10 years accordance to facility procedure number No.NBK-PSU-TU-01 dated on October 1st, 2014, mentioned “all document related sustainable product will keep in 10 years and delivered to Management Representative”.

**Compliance status: Full Compliance**

### C.2. Record keeping

**Findings:**
The facility has established a mechanism for control and maintenance of the data and document used in production process as stated on the document control procedure and records control procedure, the retention time for all records and reports for certified material and product has been defined for at least for ten (10) years. The storage and maintenance of documents is the responsibility of the Management Representative.

As mentioned in facility procedure number No.NBK-PSU-TU-01 dated on October 1st, 2014, mentioned “all document related sustainable product will keep in 10 years and delivered to Management Representative”.

Record keeping activity for all process for MB SCCS system from incoming raw material until finished product and delivery product will record in mass balance table. The facility has prepared the mass balance calculation form with consist information such as: Opening stock; CPO incoming; CPO process refinery, product refine, tank farm, refinery, fractionation and biodiesel plant.

The facility during the main assessment have yet buy raw material and delivered certified product, but the facility has been done conducted the simulation for SCCS implementation. On the simulation record for the facility used form for:
1. Purchase contract with contained information:
   - Buyer and seller name
   - Buyer and seller address
   - Product type/name
   - Quantity and quality product
   - Price product
   - Payment terms
   - Destination
   - Delivery date

2. Weighing slip
   - Vehicle ID
   - Quantity product
   - Quality specification
   - Product type/name
   - Weighing result before and after loading

3. Entry permits/unloading, with contained information:
   - Commodity
   - Date
   - Vehicle ID
   - Sample analysis
   - Seal check

4. Delivery order, with contained information:
   - Name of transporter
   - DO number
   - Dated DO
   - Quantity
   - Destination
   - Address
   - Origin
   - Commodity

5. Self declaration, inform about statement of outsourcing activity to fulfill of RSPO SCCS system requirement especially for transport and following the facility mechanism for sustainable product handling.

   All of document stamped by the RSPO SCSS MB model.

**Compliance status:** Full Compliance

### C.3. Mass balancing system

**Findings:**
PT Nubika Jaya has established a mechanism to ensure that the quantity of physical CSPO, CSPK, Fractionation mass balance material inputs and outputs (volume or weight) at the physical site are monitored on a real-time basis and recorded on facility work instruction about Mass Balance Table Input Data number No.NBK-IK-TU-05 dated on October 1st, 2014. All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion ratios. On the procedure also mentioned every certified product from refinery shall be recorded in mass balance report and the information on mass balance report consist of:

- Product owner / origin of product
- Name of product
- Product origin
- Product Quantity
- Opening stock
- Receiving
- Dispatch
- Production
- Final stock

Furthermore, in procedure number No.NPK-PSU-TU-01 Rev 00 dated October 1st, 2014 about mass balance and traceability procedure mentioned that mass balance report for supply chain logistics shall
be consistent with first/initial stock, incoming, delivery and end/final stock, keep the condition that stock is always positive.

Facility also recording the temperature, volume condition through the physically checked in storage tank every day according to work instruction number NBK/IK-PBA/TF-04 about sounding work instruction, and record on form of daily sounding tank record form number FIK-PBA/TF-02-021.

The company will inform CB if facing condition to make sell short. The implementation of certified product accounting system will be started after PT Nubika Jaya getting certified approval from RSPO CB.

**Compliance status:** Full compliance

### 3.2 Identified Non-conformances against RSPO SCCS Requirements, Corrective Actions Taken and Auditors Conclusions

**SCCS Non-conformance 2015 – 01 of 01:**
There is no contract record showed by the facility related to transport outsourcing activities, especially for transporter by truck.

**Correction:**
- The facility already sent the contract sample was available on site (facility). On the contract letter mentioned the name of transporter, commodity, quantity, contract number, DO number also discharge location, and others.
- Head of Administration will request to Head Office record of MoU/Contract Agreement especially for transporter by truck and also for all contract related to the outsourcing activity.

**Corrective Action:**
- Head of Administration will ensure every agreement/contract letter available in plant
- Transport Division Medan Office create letter to the transporter related requirement should be fulfilled by transport if they loading the sustainable product.

**Verification Result:**
The facility has submit outsourcing contract (*Surat Kuasa Pengangkutan*) sample for transport activity. On the contract sample mentioned name of contractor, name of commodity, quantity, contract number, DO number, and discharge location. Next, the facility will ensure all of contract letter related to outsourcing activity will available on the site, and this is will be responsibility of Head of Administration. All this time, contract just available in Head Office because this is a secret by the facility, but after this assessment, the contract letter will available in facility.

**Auditor Conclusions: Closed**

**Date of closure: December 20, 2014**

### 3.3 Conclusion and Recommendation for RSPO Supply Chain Certification

The audit team has confirmed through the audit process that PT Nubika Jaya has established and maintains an effective system to ensure compliance with the RSPO Supply Chain Certification requirements (dated November 2011).

PT TUV Rheinland Indonesia recommends that PT Nubika Jaya be approved for certification of compliance to the RSPO Supply Chain Certification requirements.
4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Surveillance Visit

The next surveillance visit is planned for January 2016

4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Nubika Jaya

Hardi Harmen
Management Representative
Date: January 25, 2015

Signed on behalf of PT TÜV Rheinland Indonesia

Mhd Fundy Cholis Kurniawan
Lead Auditor
Date: January 25, 2015
APPENDICES

Appendix 1: Details of Supply Chain Certification Certificate

Certificate

Standard: RSPO Supply Chain Certification Systems: Nov 2011
Certificate Registr. No.: 824 503 15013

Based on an audit according to the regulations stated in the RSPO Supply Chain Certification Systems: Nov 2011, and a signed contract, PT TÜV Rheinland Indonesia hereby certifies that the facility(s) listed below are found to be in compliance with the RSPO Supply Chain Certification Systems, version: Nov 2011. This guarantees that the criteria for processing RSPO certified sustainable palm oil through one or more of the supply chain models as stated in the RSPO Supply Chain Certification Systems have been met.

Certificate Holder Information
Name: PT Nubika Jaya
RSPO Member no.: 2-0043-06-000-00
Address of operation certified: Janan Lintas Sumatera Desa Sisumut, Kecamatan Kota Pinang, Kabupaten Labuhan Batu Selatan, Provinsi Sumatera Utara - Indonesia
Management Representative: Mr. Hardi Harmen
Contact no.: +62 (0) 61-4577777
Email address: hardi.harmen@permatagroup.com
RSPO registered parents company*: Permata Hijau Group (RSPO Member no.: 2-0043-06-000-00)

* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable).

Indonesia, 25-02-2015
Lead Auditor, M. Fundy Chea K
PT TÜV Rheinland Indonesia
President Director
Annex to certificate

Standard: RSPO Supply Chain Certification Systems: Nov 2011
Certificate Registr. No.: 824 503 15013

Certificate Information
Name(s) of certified facility(ies) included: PT Nubika Jaya
Scope & supply chain model assessed: Purchase, Receive, Storage, Processing, Refining, Fractionation, Oleochemical, Delivery and Sales of RSPO certified sustainable palm oil product included RBDPO, PFAD, RBDPKO, PKFAD, RBD Olein, RBD Stearin, Fatty Acid, Glycerine, Soap Noodle with implementation of the following SCCS:
- Identity Preserved
- Segregation
- Mass Balance
An audit was performed, Report No. SCCS-15013. Proof has been furnished that the requirements according to RSPO Supply Chain Certification Systems: November 2011 are fulfilled.

Validity:
Date of first RSPO Supply Chain certification: 2014-12-12
The due date for all future surveillance audits is 25 December. The certificate is valid from valid from 2015-02-25 until 2020-02-24

Issued by PT TÜV Rheinland Indonesia
www.tuv.com

This certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

Indonesia, 25-02-2015
Lead Auditor, M. Fundy Chola K
PT TUV Rheinland Indonesia
President Director

www.tuv.com
Appendix 2: List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPO</td>
<td>Crude Palm Oil</td>
</tr>
<tr>
<td>P&amp;C</td>
<td>Principles &amp; Criteria</td>
</tr>
<tr>
<td>PKO</td>
<td>Palm Kernel Oil</td>
</tr>
<tr>
<td>SCC</td>
<td>Supply Chain Certification</td>
</tr>
<tr>
<td>KCP</td>
<td>Kernel Crushing Plant</td>
</tr>
<tr>
<td>PME</td>
<td>Palm Methyl Ester</td>
</tr>
<tr>
<td>RBDPO</td>
<td>Refine Bleached Deodorized Palm Oil</td>
</tr>
<tr>
<td>RBDPKO</td>
<td>Refine Bleached Deodorized Palm Kernel Oil</td>
</tr>
<tr>
<td>PFAD</td>
<td>Palm Fatty Acid Distillate</td>
</tr>
<tr>
<td>PKFAD</td>
<td>Palm Kernel Fatty Acid Distillate</td>
</tr>
</tbody>
</table>

Appendix 3: Observations and Opportunities for Improvement

<table>
<thead>
<tr>
<th>No.</th>
<th>Observations / Opportunities for Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Positive Observation</strong></td>
</tr>
<tr>
<td>1</td>
<td>Company has conduct simulation to produce RSPO SCCS product since incoming material until product discharge and the simulation documentation are well maintained.</td>
</tr>
<tr>
<td>2</td>
<td>Good staff cooperation during audit process.</td>
</tr>
<tr>
<td></td>
<td><strong>Opportunities for Improvement</strong></td>
</tr>
<tr>
<td>1</td>
<td>The facility should provide training program for every operator plant, clerk, and others PIC will implement the RSPO SCCS MB.</td>
</tr>
<tr>
<td>2</td>
<td>The facility should communicate to all outsourcing to make they understood about handling raw material and product certified RSPO SCCS MB.</td>
</tr>
</tbody>
</table>

Appendix 4: Supply Chain Certification Audit Closing Meeting Summary

The closing meeting summary will attach.

Appendix 5: List of Certified Product and Projection for year 2014

<table>
<thead>
<tr>
<th>No.</th>
<th>Product</th>
<th>Output (tones)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CPKO</td>
<td>47,957</td>
</tr>
<tr>
<td>2</td>
<td>PFAD</td>
<td>12,600</td>
</tr>
<tr>
<td>3</td>
<td>PKFAD</td>
<td>243,209</td>
</tr>
<tr>
<td>4</td>
<td>RBDPO</td>
<td>285,600</td>
</tr>
<tr>
<td>5</td>
<td>RBDPKO</td>
<td>6,106</td>
</tr>
<tr>
<td>6</td>
<td>Olein</td>
<td>229,500</td>
</tr>
<tr>
<td>7</td>
<td>Stearin</td>
<td>56,100</td>
</tr>
<tr>
<td>8</td>
<td>Fatty Acid</td>
<td>184,622</td>
</tr>
<tr>
<td>9</td>
<td>Glycerine 99.7%</td>
<td>142,017</td>
</tr>
<tr>
<td>10</td>
<td>Soap Noddle</td>
<td>12,000</td>
</tr>
<tr>
<td>11</td>
<td>Beading</td>
<td>79,000</td>
</tr>
</tbody>
</table>
Appendix 6: List of Certified Supplier and Buyer

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of certified Supplier</th>
<th>Volume incoming material</th>
<th>Date of Incoming material</th>
<th>Certificate No.</th>
<th>Supply chain model</th>
<th>Expiry Date</th>
<th>remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*) still not applicable because the facility has not made a purchase the certified product

The facility also has list of non supplier certified, for period of November 2014. In list of supplier also mentioned contract number, quantity contract, supplier address and also contact number. Example of non certified supplier presented below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name non certified Supplier</th>
<th>Contract number</th>
<th>Quantity Contract</th>
<th>Date of contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anugerah Tanjung Medan, PT</td>
<td>BN/14/0901/002/F17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Anugerah Tanjung Medan, PT</td>
<td>BN/14/0908/002/F17</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Asam Jawa, PT</td>
<td>BN/14/0923/003/E17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Austindo Nusantara Jaya Agri Sias, PT</td>
<td>BN/14/0918/007/E01</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Austindo Nusantara Jaya Agri, PT</td>
<td>BN/14/0918/006/E01</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Cipta Agro Sejati, PT</td>
<td>BN/14/0910/001/F01</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Cipta Agro Sejati, PT</td>
<td>BN/14/0903/001/F17</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Cipta Agro Sejati, PT</td>
<td>BN/14/0908/001/F17</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Cisadane Sawit Raya, PT</td>
<td>BN/14/0930/001/E17</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Citra Indah Pertiwi, PT</td>
<td>BN/14/0905/002/E01</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Citra Indah Pertiwi, PT</td>
<td>BN/14/0905/004/E17</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Karya Agung Sawita, PT</td>
<td>BN/14/0904/005/F01</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Kencana Andalan Nusantara, PT</td>
<td>BN/14/0904/003/F17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Kencana Inti Perkasa, PT</td>
<td>BN/14/0902/002/F01</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Kencana Inti Perkasa, PT</td>
<td>BN/14/0902/001/F17</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Kencana Inti Perkasa, PT</td>
<td>BN/14/0905/003/F17</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Lingga Tiga Sawit, PT</td>
<td>BN/14/0903/002/F17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Maju Indo Raya, PT</td>
<td>BN/14/0905/005/F01</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Pangkatan Indonesia, PT</td>
<td>BN/14/0909/001/E17</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>PTP Nusantara III</td>
<td>BN/14/0910/003/E17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Rimba Mujur Mahkota, PT</td>
<td>BN/14/0924/001/E17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Sawita Pasaman Jaya, PT</td>
<td>BN/14/1128/003/F17</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Sawita Unggul Jaya, PT</td>
<td>BN/14/1006/001/F01</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Sawita Unggul Jaya, PT</td>
<td>BN/14/0911/001/F17</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Torganda, PT</td>
<td>BN/14/1009/004/E01</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Torganda, PT</td>
<td>BN/14/1014/004/E01</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Torganda, PT</td>
<td>BN/14/0904/004/E17</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Umada, PT</td>
<td>BN/14/0912/004/F17</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Victorindo Alam Lestari, PT</td>
<td>BN/14/0901/001/F01</td>
<td>200,000</td>
<td></td>
</tr>
</tbody>
</table>