

***Roundtable on Sustainable Palm Oil Certification
RSPO*****[✓] Surveillance**

Name of Management Organisation : Pangkatan Palm Oil Mill - PT Pangkatan Indonesia subsidiary of MP Evans Group PLC

Plantation Name : PT Pangkatan Indonesia: Pangkatan Estate
PT Bilah Plantindo: Bilah Estate
PT Sembada Sennah Maju: Sennah Estate

Location : Village of Perkebunan Pangkatan, Sub District of Pangkatan, District of Labuhanbatu, Province of Sumatera Utara, Indonesia

Certificate Code : MUTU-RSPO/051

Date of Certificate Issue : 19 October 2017 Date of License Issue : 19 January 2022

Date of Certificate Expiry : 18 October 2022 Date of License Expiry : 18 October 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 1.3 (Remote Audit)	30 November to 01 December 2020	Moh Arif Yusni (Lead Auditor), Haikal Ramadhan K, Yohanes Hardian, and Radinal	M. Rinaldi	Ardiansyah
ASA 1.3 and 1.4 (Onsite Audit)	04 to 09 October 2021	Hasiholan Sihombing (Lead Auditor), Radytio Puspanjana, Arief Tajalli and Mia Rahmah Qadryani		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 1.3 and 1.4 (Onsite Audit)	05 November 2021

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Figure 1. Location Map of PT Pangkatan Indonesia, PT Sembada Sennah Maju, PT Bilah Plantindo

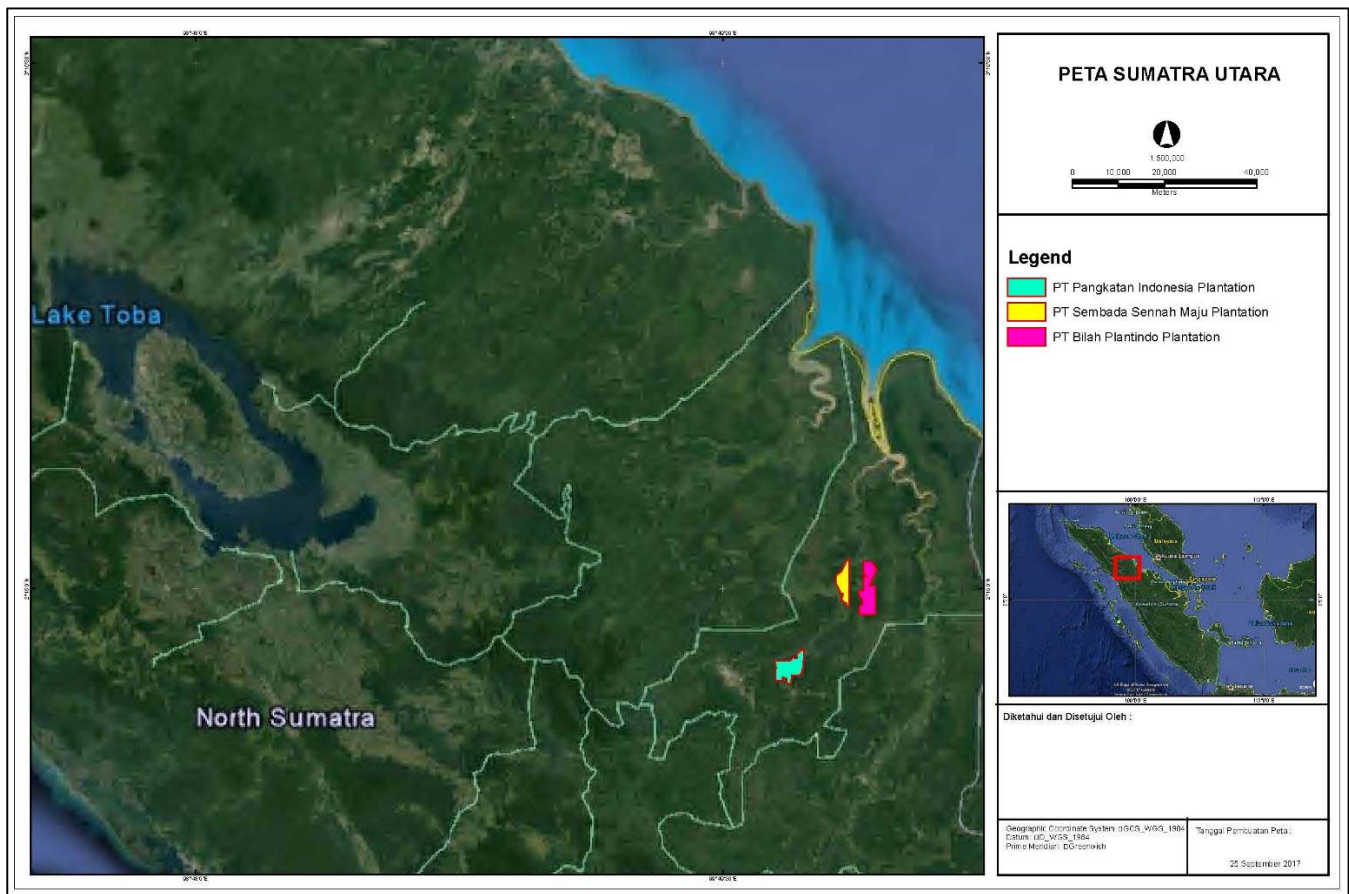


Figure 2. Operational Map of PT Pangkatan Indonesia

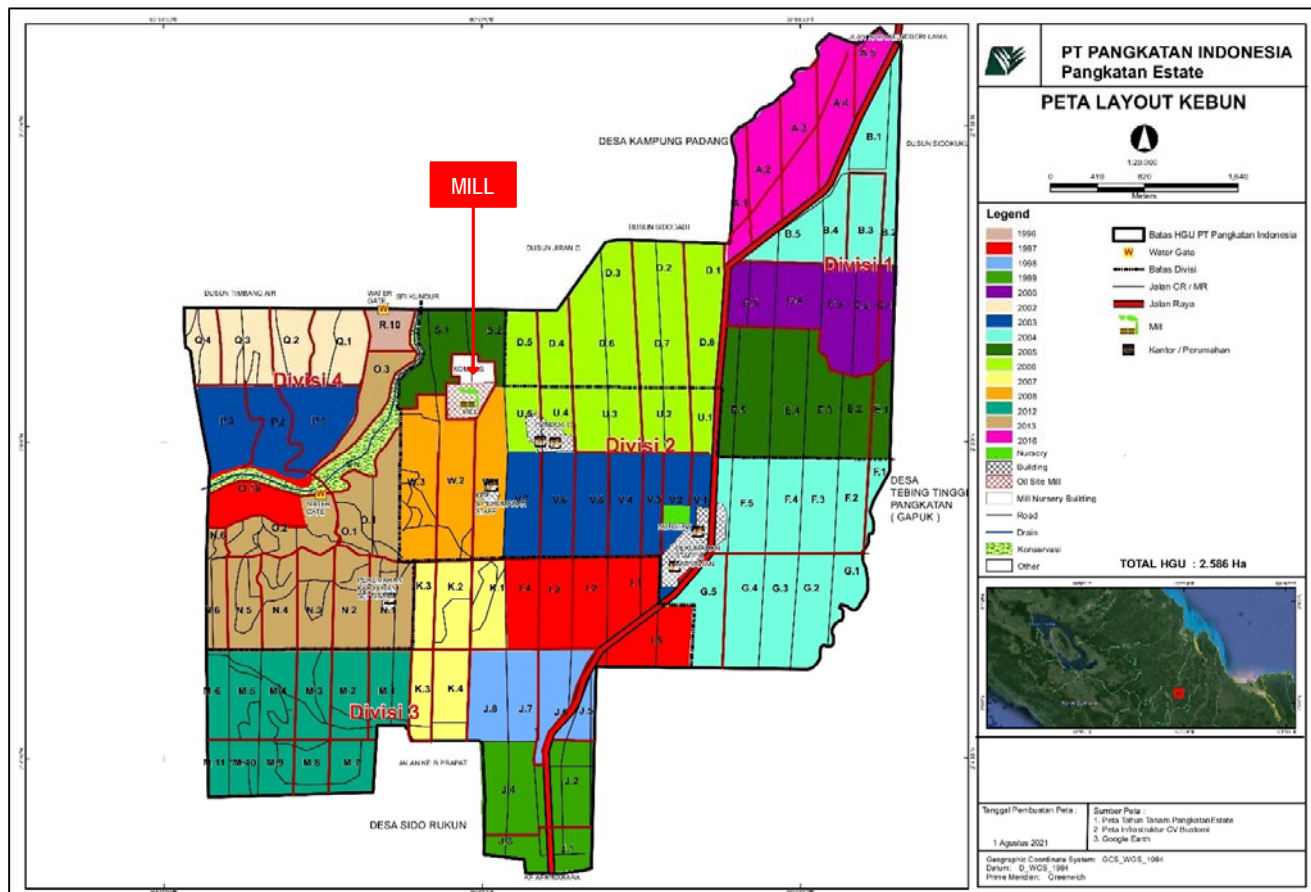


Figure 3. Operational Map of PT Bilah Plantindo

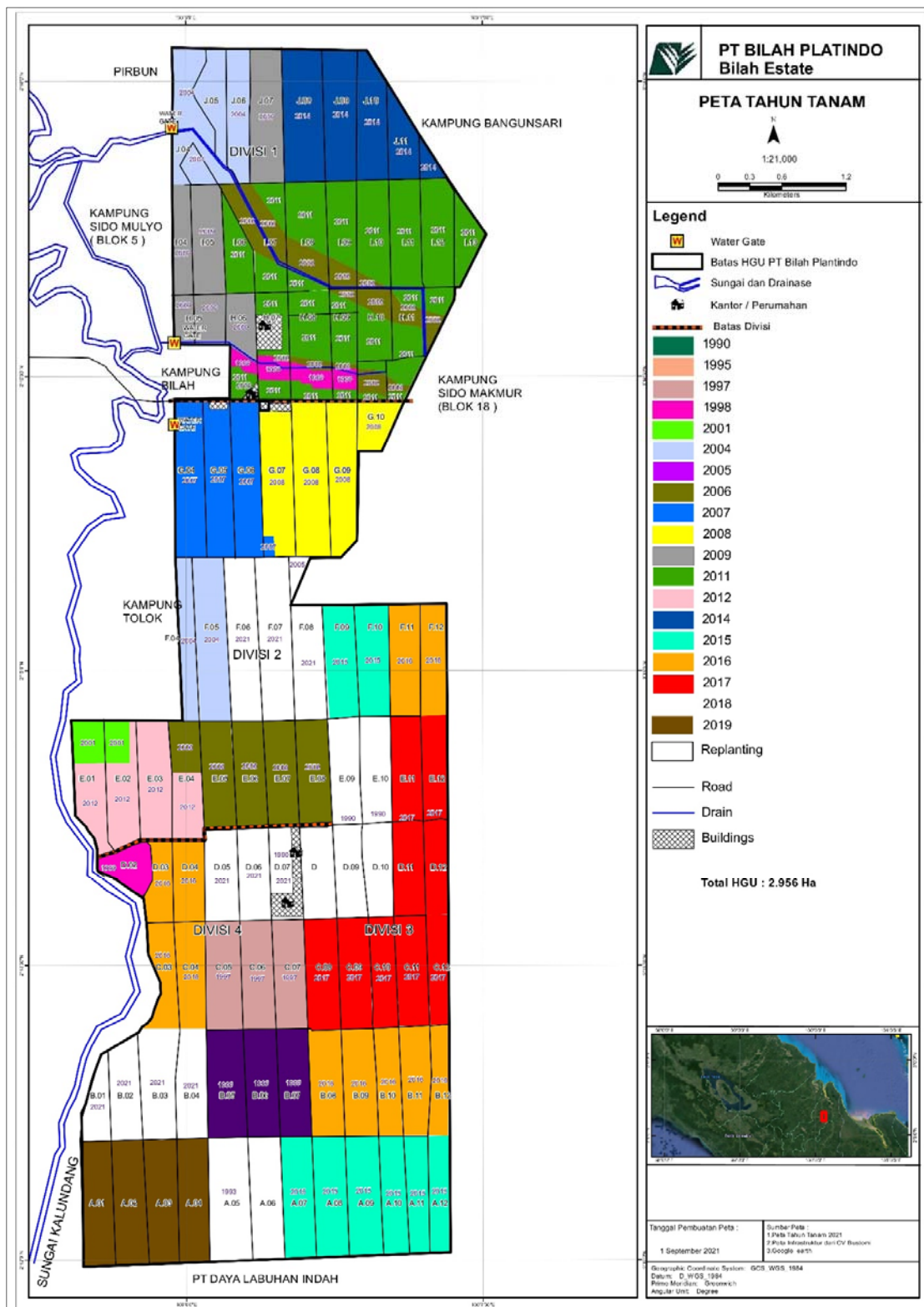
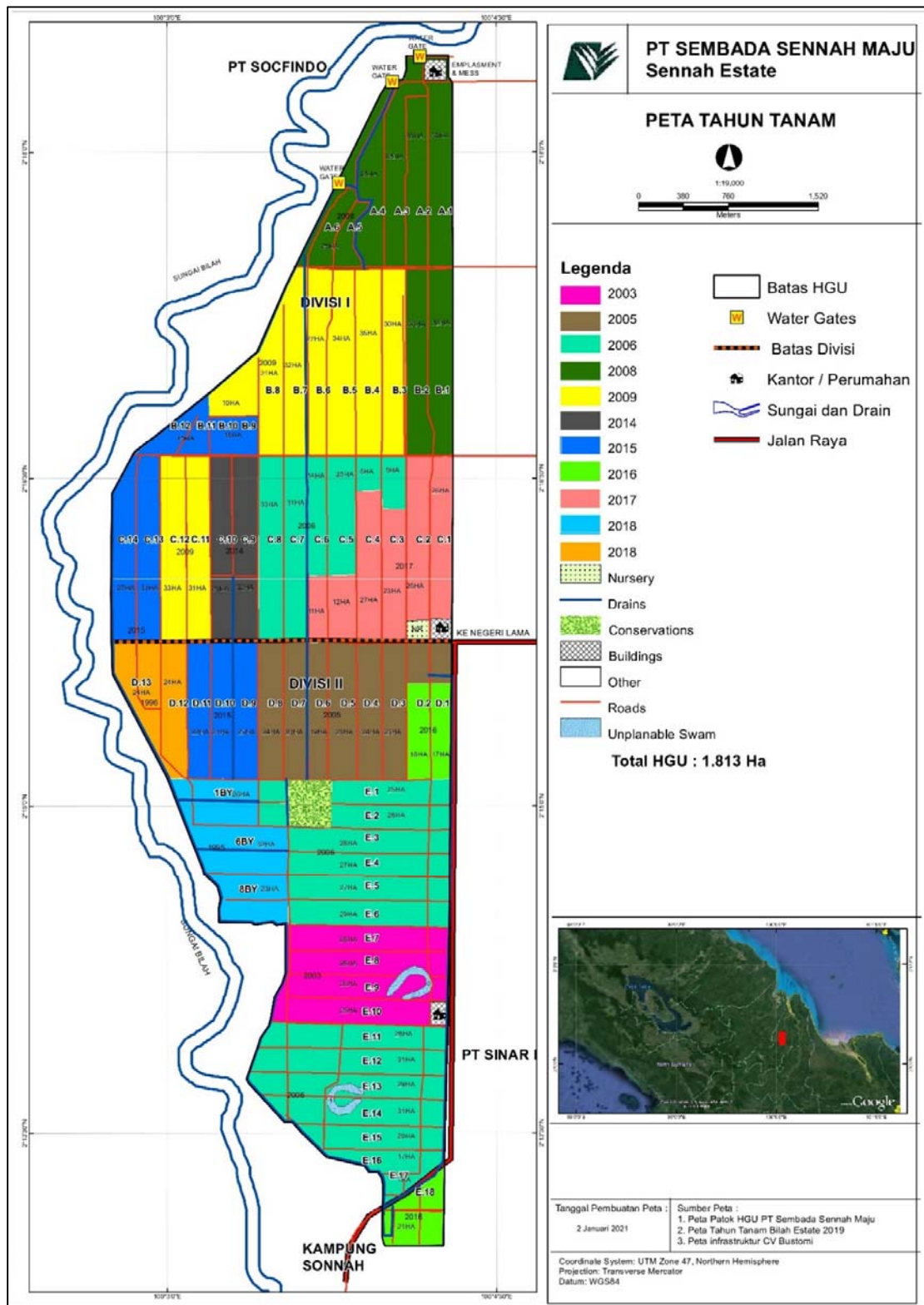


Figure 4. Operational Map of PT Sembada Sennah Maju



Abbreviations Used

ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous Waste)
BIE	:	Bilah Estate
BMP	:	Best Management Practices
BP	:	Bilah Plantindo
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance)
CB	:	Certification Body
CH	:	Certificate Holder
CLA	:	Collective Labor Agreement
CPO	:	Crude palm oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DLH	:	<i>Dinas Lingkungan Hidup</i> (Environment Agency)
EFB	:	Empty Fruit Bunches
EIA	:	Environment Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed and Consent
FR	:	Fatality Rate
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title/Right)
HK	:	<i>Hari Kerja</i> (Working Day)
ILO	:	International Labor Organization
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability Carbon Certification
ISPO	:	Indonesia Sustainable Palm Oil
JK	:	<i>Jaminan Kematian</i> (Died Insurance)
JKK	:	<i>Jaminan Kecelakaan Kerja</i> (Work Accident Insurance)
kWh	:	Kilowatt hour
LA	:	Land Application
LCC	:	Legume Cover Crop
LD	:	Lethal Dosage
MCU	:	Medical Check Up
MSDS	:	Material Safety Data Sheet
MSPO	:	Malaysia Sustainable Palm Oil
NGO	:	Non-Government Organization
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safety
PI	:	Pangkalan Indonesia
PIC	:	Person In Charge
PGI	:	Pangkalan Indonesia
PGE	:	Pangkalan Estate
PGM	:	Pangkalan Mill
PK	:	Palm Kernel
PLC	:	Public Limited Company
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent

PP	:	<i>Peraturan Pemerintah</i> (Government Regulation)
PPE	:	Personal Protective Equipment
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i>
PT	:	<i>Perseroan Terbatas</i> /Limited Corporation
QC	:	Quality Control
RKL-RPL	:	<i>Rencana Pengelolaan dan Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SNE	:	Sennah Estate
SOP	:	Standard Operations Procedure
SR	:	Severity Rate
SSM	:	Sembada Sennah Maju
UKL-UPL	:	Environment management and Monitoring Plan
UNFCCC	:	United Nations Framework Convention on Climate Change
WTP	:	Water Treatment Plan
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">• RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.• Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.• RSPO Notice to CB on RSPO P&C On-site & Remote Audits, on 24th March 2020.• Contingency RSPO Audit Procedure, on 25th August 2020.	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Pangkalan Palm Oil Mill subsidiary of MP Evans Group PLC	
1.2.2	Contact person	Arvind Devadasan	
1.2.3	Organisation address and site address	RSPO registered company: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan	
1.2.4	Telephone	021-52920338	
1.2.5	Fax	021-52920339	
1.2.6	E-mail	arvind@mpevans.co.uk	
1.2.7	Web page address	www.mpevans.co.uk	
1.2.8	Management Representative who completed the application for certification	Arvind Devadasan (Manager Sustainability & Certification)	
1.2.9	Registered as RSPO member	1-0027-06-000-00, since 8 October 2006	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : <ul style="list-style-type: none">• Pangkatan POM (PT Pangkatan Indonesia)• Pangkatan Estate (PT Pangkatan Indonesia)• Sennah Estate (PT Sembada Sennah Maju)• Bilah Estate (PT Bilah Plantindo)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Pangkalan POM	Perkebunan Pangkatan Village, Pangkatan Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 5.2' 59.5"E 99° 56' 52"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Pangkalan Estate (PT Pangkatan Indonesia)	Perkebunan Pangkatan Village, Pangkatan Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 05' 29"E 99° 58' 01"

	Sennah Estate (PT Sembada Sennah Maju)	Perkebunan Sennah Village, Bilah Hilir Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 15' 43"	E 100° 04' 12"	
	Bilah Estate (PT Bilah Plantindo)	Perkebunan Bilah Village, Bilah Hilir Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 16' 46"	E 100° 06' 22"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		7,409.31 Ha		
	• Community		- Ha		
	<i>*There is a change in the scope of certification from the previous assessment from 7,355 Ha to 7,409.31 Ha. More detailed explanation in indicator 4.4.1</i>				
1.5.2	Area Statement				
	• Total area		7,409.31 Ha		
	• Mature area		6,460.00 Ha		
	• Immature area		506.00 Ha		
	• Mill		15.00 Ha		
	• Road		180.49 Ha		
	• Building		58.03 Ha		
	• Nursery		10.00 Ha		
	• Drain, Swamp, River		73.51 Ha		
	• Reserve Area		53.88 Ha		
	• Conservation area		52.40 Ha		
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Pangkalan Estate	Sennah Estate	Bilah Estate	Total
	1996	15.00	-	-	15.00
	1997	146.00	-	93.00	239.00
	1998	89.00	-	31.00	120.00
	1999	95.00	-	-	95.00
	2000	103.00	-	-	103.00
	2001	-	-	24.00	24.00
	2002	109.00		-	109.00
	2003	248.00	105.00	151.00	504.00
	2004	348.00	-	-	348.00
	2005	179.00	148.00	25.00	352.00
	2006	281.00	444.00	190.00	915.00
	2007	96.00		110.00	206.00
	2008	110.00	203.00	137.00	450.00
	2009	-	253.00	128.00	381.00
	2011	-	-	308.00	308.00
	2012	213.00	-	87.00	300.00
	2013	256.00	-	-	256.00
	2014	-	60.00	136.00	196.00
	2015	-	159.00	285.00	444.00
	2016	142.00	56.00	209.00	407.00

	2017	-	124.00	228.00	352.00		
	2018	-	129.00	207.00	336.00		
	Sub Total Mature	2,430.00	1,681.00	2,349.00	6,460.00		
	2019	-	-	229.00	229.00		
	2021	-	-	277.00	277.00		
	Sub Total Immature	-	-	506.00	506.00		
	TOTAL	2,430.00	1,681.00	2,855.00	6,966.00		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 st Cycle or 2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pangkalan	40	419,082.81	94,701.70	22.60	22,222.61	5.30
	<i>*Production data source from 24 months before assessment (September 2019 to August 2021)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pangkalan Estate	2,586.03	2,430.00	141,790.77	29.18	141,790.77	100
	Sennah Estate	1,813.40	1,681.00	88,468.38	26.31	88,468.38	100
	Bilah Estate	3,009.88	2,349.00	120,130.05	25.57	120,130.05	100
	TOTAL	7,409.31	6,460.00	350,389.20	27.12	350,389.20	100
	<i>*Production data source from 24 months before assessment (September 2019 to August 2021)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	CV Naga Tutar	Independent Supplier	-	-	35,361.02		
	Jamri	Independent Supplier	-	-	11,877.05		
	Pendi Marico	Independent Supplier	-	-	3,685.65		
	Hendra	Independent Supplier	-	-	5,404.71		
	Wan Jumasari Dewi	Independent Supplier	-	-	12,198.34		
	UD Ula Tersia	Independent Supplier	-	-	49.96		
	Samsul Bahri Panjaitan	Independent Supplier	-	-	86.52		
	TOTAL					68,663.25	
	<i>*Production data source from 24 months before assessment (September 2019 to August 2021)</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume + Extension		Last Year Actual Certified Volume (MT)		

				Volume (MT)	(Sept 2019 to August 2021)			
	FFB Processed			321,390	350,401.58			
	CPO Production			85,408	81,419.57			
	Palm Kernel (PK) Production			21,055	19,132.31			
1.8.2	Product selling							
	Type of selling product			Actual selling product for last year (September 2019 to August 2021) (MT)				
	CSPO sold as RSPO certified product			15,748.12				
	CSPK sold as RSPO certified product			17,682.76				
	CSPO sold under other scheme (ISCC)			63,574.78				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			0				
	CSPK sold as conventional			1,169.10				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates		Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
	Pangkalan Estate		2,586.03	2,430.00	75,000		30.86	
	Sennah Estate		1,813.40	1,681.00	47,000		27.96	
	Bilah Estate		3,009.88	2,349.00	63,000		26.82	
	TOTAL		7,409.31	6,460.00	185,000		28.64	
	<i>*Projected FFB production for 12 months of certificate</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Pangkalan	40	185,000	42,500	22.97	10,000	5.41	MB
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			EU-ISCC-Cert-DE119-62214280, valid thru 8 August 2022				
	ISPO			MUTU-ISPO/203, valid thru 16 July 2025				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Unit							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Pangkalan	2012	Pangkalan Estate (PT Pangkalan Indonesia)	2012	Labuhanbatu, North Sumatera	Certified		

		Sennah Estate (PT Sembada Sennah Maju)	2012	Labuhanbatu, North Sumatera	Certified
		Bilah Estate (PT Bilah Plantindo)	2012	Labuhanbatu, North Sumatera	Certified
Bumi Permai	2013	PT Prima Mitrajaya Mandiri	2013	East Kutai, East Kalimantan	Certified
		Koperasi Subur Makmur	2013	East Kutai, East Kalimantan	Certified
		Koperasi Sawit Etam Bersama	2013	East Kutai, East Kalimantan	Certified
		Koperasi Tanah Sama	2013	East Kutai, East Kalimantan	Certified
		Koperasi Mitra Sawit Mandiri	2013	East Kutai, East Kalimantan	Certified
		Koperasi Grenseng Indah	2013	East Kutai, East Kalimantan	Certified
		Koperasi Maju Membangun	2013	East Kutai, East Kalimantan	Certified
		PT Teguh Jaya Prima Abadi	2013	East Kutai, East Kalimantan	Certified
		Koperasi Karya Bersama	2013	East Kutai, East Kalimantan	Certified
		Koperasi Mitra Sejahtera Abadi	2013	East Kutai, East Kalimantan	Certified
Rahayu	2021 Non Certified (Commissioning 2020)	PT Teguh Jaya Prima Abadi	2013	East Kutai, East Kalimantan	Certified (currently supply FFB to Bumi Permai Mill)
		Koperasi Karya Bersama	2013	East Kutai, East Kalimantan	
		Koperasi Mitra Sejahtera Abadi	2013	East Kutai, East Kalimantan	
		Koperasi Maju Membangun II	2023	East Kutai, East Kalimantan	Have not obtained the HGU
		Koperasi Sawit Etam Bersama II	2023	East Kutai, East Kalimantan	Have not obtained the HGU
		Koperasi Tanah Sama II	2023	East Kutai, East Kalimantan	Have not obtained the HGU
Benuang	2023 Non Certified (Commissioning 2021)	PT Bumi Mas Agro	2023	East Kutai, East Kalimantan	Non-Certified (currently send FFB to outsider mill)
		Koperasi Dugai Jaya Mandiri	2023	Kalimantan	
		Koperasi Marukangan Sejahtera Mandiri	2023	Kalimantan	
		Koperasi Jaya Harapan Bersama	2023	Kalimantan	
Tengkalat	2017	PT Gunung Pelawan Lestari	2017	Bangka	Certified
		Koperasi Ikhtiar Sejahtera	2017	Bangka	Certified

		Koperasi Silip Lestari	2017	Bangka	Certified
		Koperasi Mapur Mandiri	2017	Bangka	Certified
		Koperasi Gunung Muda Sejahtera	2017	Bangka	Certified
	-	PT Evans Lestari	2023	Musirawas, South Sumatera	Currently FFB delivered to outside mill
	-	PT Simpang Kiri Plantation Indonesia	2023	Aceh	Currently FFB delivered to outside mill
<i>*TBP is approve on 8 October 2021.</i>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Pangkalan POM and its supply bases does not have associated smallholder's scheme. FFB non-certified sources are from independent suppliers.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1.3 Remote Audit	<ol style="list-style-type: none"> Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality, Social and Time Bound Plan Haikal Ramadhan Kharismansyah (Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experiences as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001: 2015, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000, SA 8000, ISO 14000 and SCCS. Has conducting ISPO and RSPO audit with expertise on best management practices, OHS, Worker Welfare, and SCCS. During this audit he verify Best Management Practices, SCCS, OHS and Worker Welfare Yohanes Hardian (Auditor). Indonesian Citizen. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA Remark Asia 2016, Training Lead Auditor RSPO by Proforest-Daemeter 2016. Experience audit RPO And ISPO Since 2014. During this audit, he assigned to verify, environment aspect and HCV. Radinal (Observer). Indonesian citizen. Diploma of seed industry technology, agriculture and horticulture program at Bogor Agricultural Institute. He has 5 years experiences as an Agronomy Staff in private oil palm plantation in Indonesia. <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
ASA 1.3 & ASA 1.4 Onsite Audit	<ol style="list-style-type: none"> Hasiholan Sihombing (Lead Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During this audit, he assigned to verify transparency, legal aspect, land dispute and SCCS. Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMIT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. In this audit he is responsible for assessing the aspects of Best Management Practices and OHS. Arief Tajalli (Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011 and ISPO Auditor training by Mutu Institute and RSPO Auditor Training by Checkmark, also participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social, environmental, GHG, and waste management aspect. During this assessment, he verified the Environmental, GHG, and Waste management aspects.

	<p>4. Mia Rahmah Qadryani (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture Majoring in Pest and Plant Disease, Universitas Padjadjaran. The training she has followed namely: ISO 9001, ISO 19011, Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 14001, Awareness ISO 45001, and Awareness ISO 19011. She has participated in several audit simulation activities related to the social and worker welfare. During this audit, she verified Worker Welfare and Transparencies under supervision by Lead Auditor.</p> <p>Curriculum Vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA 1.3 Remote Audit	<p>Number of auditors: 3 auditor and 1 observer</p> <p>Number of days for Remote audit ASA-1.3: 2 days</p> <p>Number of working days for Remote audit ASA-1.3 document review: 6 Working days</p>
ASA 1.3 & ASA 1.4 Onsite Audit	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for ASA 1.3 + ASA 1.4 Onsite Audit: 6 days</p> <p>Number of working days for ASA 1.3 + ASA 1.4 Onsite Audit: 18 Working days</p>
2.2.2	Assessment Process
ASA 1.3 Remote Audit	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Pangkatan Mill – PT Pangkatan to the requirements of Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>For this section (ASA 1.3) The assessment was conducted in one method with document review, aiming to observe the sufficiency of types or substances from required documents. Improvement of findings from ASA-1.2 findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 1.3 Remote Audit report.</p> <p>The opening meeting was held on 30 November 2020 at 08.30 am through a teleconference (zoom). As for the participants who attended the opening meeting included the Estate Manager, Mill Manager, Support Team from sustainability department and other relevant staff. while the closing meeting will take place on 01 December 2020 at 15.30 pm. attended by the same participants as the opening meeting. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well using email or one drive</p> <p>The assessment program please find Appendix 2</p>
ASA 1.3 & ASA 1.4 Onsite Audit	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Pangkatan Indonesia, Pangkatan POM Unit Certification based on:</p> <ul style="list-style-type: none"> • RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 • RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020 <p>Additional Documents:</p> <ul style="list-style-type: none"> • Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020. <p>The scope of certification of Pangkatan POM consist of one mill (Pangkalan Mill) and three estates (Pangkalan Estate, Bilah Estate and Sennah Estate).</p> <p>The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an</p>

RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-1.3 + ASA-1.4 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase Recertification. Improvement of findings from ASA-1.3 findings were observed by auditors at this ASA-1.3 + ASA-1.4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.3 + ASA-1.4.

The opening meeting was held on 4 October 2021. As for the participants who attended the opening meeting included the Regional Head, Area Controller, Estate and Mill Managers, Support Team from Jakarta and other staff at Pangkatan POM. Closing meeting was held on 9 October 2021 attended by the same participants as the opening meeting. Management Pangkatan POM, PT Pangkatan Indonesia accept all the onsite ASA-1.3 + ASA-1.4 audit results.

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

Public Stakeholder Notification was made on MUTU Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix 1.

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

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

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA 1.3 Remote Audit	Will be completed during the onsite audit.
ASA 1.3 & ASA 1.4 Onsite Audit	The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are: PT Pangkatan Indonesia (Pangkalan Mill)

- Loading Ramp Station. Observations and interviews related work procedure, safety aspect, worker welfare etc
- Grading Station. Observations and interviews related to criteria for EFB grading, wages, sampling techniques, and PPE.
- Engine room. Observations and interviews related to medical check-up, PPE, and operator understanding of emergencies
- Boiler Station. Observations and interviews related to OHS, understanding of emergency response, and operator licenses
- Sterilizer Station. Observations and interviews related to the duties and responsibilities of daily work
- Press Station. Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility
- Kernel Station. Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility
- Oil Tank Station. Observation's safety aspect, environment aspect etc.
- Water Treatment Plant. Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc
- Security Pos. Observations and interviews related FFB Receiving procedure, safety aspect, worker welfare etc
- Weighbridge Station. Observations and interviews related FFB Receiving procedure, safety aspect, worker welfare etc.
- Hazardous Waste Storage. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Chemical and CaCO₂ Storage. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Material Storage. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Workshop. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Composting. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- WWTP. Observation related to effluent handling
- Water intake. Observation related to water usage monitoring.
- Land Application. Observation related to effluent handling.
- Fire-fighting simulation. Observations to see the ability of officers in handling fires and interviews related to quick response activities, training that has been given etc.

PT Pangkatan Indonesia (Pangkalan Estate)

- EFB composting Application, Block A2. Observation and interview with PIC related to solid waste management by application as mulching in the field, especially in low nutrient area.
- Spray Circle & Path, Block B5. Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- Harvesting and fruits lose pick up Block M5. Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, and payment system.
- Barn Owl Nest Observation Block M2. To check nest condition and monitoring schedule.
- HCV area riparian of Kundur River (Block S1 Div 2). Observation related to HCV management and obtain information based on issues on the internet
- Housing complex and Facilities (Mosque, Clinic, daycare, etc). Observation and interview regarding facilities and infrastructure housing area.
- Fire extinguisher. Land fire emergency response simulation.
- Hazardous Waste Storage. Observations and interview related the condition of the warehouse and waste management
- Chemical Storage. Observation and interview related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.

- Fertilizer Storage. Observation and interview related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- Workshop. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Oil Tank and Fuel Station. Observation's safety aspect, environment aspect etc.
- Material and Disposal Storage. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Chemical mixing warehouse and bathroom. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Block A01 Division 1: HGU Pole No. 21. Observation the conditions and position of legal boundary.
- Block A03 Division 1: HGU Pole No. 23. Observation the conditions and position of legal boundary.
- Block A05 Division 1: HGU Pole No. 24 dan No. 01. Observation the conditions and position of legal boundary.
- Block F02 Division 2: HGU Pole No. 02 dan No. 03. Observation the conditions and position of legal boundary.
- Block G02 Division 2: HGU Pole No. 04. Observation the conditions and position of legal boundary.
- Block A02 Division 1: Cemetery (HCV Area). Observation of HCV management.
- Block O02 Division 4: Kundur River (HCV Area). Observation of HCV management.

PT Bilah Plantindo (Bilah Estate)

- Harvesting and fruits lose pick up, Block G9. Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, and payment system.
- Replanting area, Block F6, F7, F8, D5 and D6. Observation related replanting activity, that conducted in 2021.
- Spray Circle & Path, Block A11. Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- Manual upkeep and ex fertilizer worker, Block F6 dan F7. Interviews of technical manual upkeep, PPE, labor aspect, and environment.
- Control of caterpillar pests by fruit traps block D7. Observations and interviews regarding the technical control of fire caterpillar pests with butterfly traps derived from fire caterpillars and their effectiveness.
- Captive *Sycanus Dichotomus* block D7. Observations and interviews regarding the technical use of biological agents of the insect *Sycanus Dichotomus* as natural predators of caterpillars and their effectiveness.
- Barn Owl Nest Observation Block G9. To check nest condition and monitoring schedule.
- HCV Area (Block I6 and H10 Div 1). Observation related to HCV management.
- Housing complex and Facilities (Mosque, Clinic, daycare, etc). Observation and interview regarding facilities and infrastructure housing area.
- Fire extinguisher. Land fire emergency response simulation.
- Hazardous Waste Storage. Observations and interview related the condition of the warehouse and waste management
- Chemical Storage. Observation and interview related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- Fertilizer Storage. Observation and interview related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- Workshop. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Oil Tank and Fuel Station. Observation's safety aspect, environment aspect etc.
- Material and Disposal Storage. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Chemical mixing warehouse and bathroom. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Reverse Osmosis House. observations and interviews related to drinking water facility and labor facilities.
- Block J05 Division 1: HGU Pole No. 33. Observation the conditions and position of legal boundary.
- Block J10 Division 1: HGU Pole No. 01. Observation the conditions and position of legal boundary.

- Block I12 Division 1: HGU Pole No. 05. Observation the conditions and position of legal boundary.
- Block G09 Division 2: HGU Pole No. 13, 14, 15, 16. Observation the conditions and position of legal boundary.
- Block G06 Division 2: HGU Pole No. 17. Observation the conditions and position of legal boundary.
- Block F08 Division 2: HGU Pole No. 18. Observation the conditions and position of legal boundary.
- Block F12 Division 2: HGU Pole No. 07. Observation the conditions and position of legal boundary.
- Block G04 Division 2: HGU Pole No. 24 & 26. Observation the conditions and position of legal boundary.
- Block D11 Division 3 (Peat Area). Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- Block G04 Division 2 (Water Gate). Observation of water gate management and interviews with water gate officers regarding work procedures, OHS aspects and labor aspects.

PT Sembada Sennah Maju (Sennah Estate)

- Nursery Block C02. Observation and interviews related to the 2-stage nursery system, administration, selection techniques, and handling of rejected seeds.
- Harvesting and fruits lose pick up, Block D6. Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, and payment system.
- EFB composting Application, Block E1. Observation and interview with PIC related to solid waste management by application as mulching in the field, especially in low nutrient area.
- Census of caterpillar Block D13. Observation and interview of workers related to census activities of plant pests and diseases, employment and OHS.
- Control of caterpillar pests by fruit traps block E13. Observations and interviews regarding the technical control of fire caterpillar pests with butterfly traps derived from fire caterpillars and their effectiveness.
- Captive *Sycanus Dichotomus* block D2. Observations and interviews regarding the technical use of biological agents of the insect *Sycanus Dichotomus* as natural predators of caterpillars and their effectiveness.
- Barn Owl Nest Observation Block D2. To check nest condition and monitoring schedule.
- HCV Area (Block E8, E8, E13 and E14 Div 3). Observation related to HCV management.
- Conservation Area non- HCV (Block E1 and E2 Div 3). Observation related to conservation management.
- Housing complex and Facilities (Mosque, Clinic, daycare, etc). Observation and interview regarding facilities and infrastructure housing area.
- Fire extinguisher. Land fire emergency response simulation.
- Hazardous Waste Storage. Observations and interview related the condition of the warehouse and waste management
- Chemical Storage. Observation and interview related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- Fertilizer Storage. Observation and interview related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- Workshop. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Oil Tank and Fuel Station. Observation's safety aspect, environment aspect etc.
- Material and Disposal Storage. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Chemical mixing warehouse and bathroom. Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.
- Reverse Osmosis House. observations and interviews related to drinking water facility and labor facilities.
- Block E11 Division 2: HGU Pole No. 06. Observation the conditions and position of legal boundary.
- Block C01 Division 1: HGU Pole No. 05. Observation the conditions and position of legal boundary.
- Block A01 Division 1: HGU Pole No. 01. Observation the conditions and position of legal boundary.
- Block A03 Division 1: HGU Pole No. 37. Observation the conditions and position of legal boundary.
- Block A06 Division 1: HGU Pole No. 33, 32, 31, 29. Observation the conditions and position of legal boundary.
- Block B08 Division 1: HGU Pole No. 27. Observation the conditions and position of legal boundary.

	<ul style="list-style-type: none"> Block C14 Division 1: HGU Pole No. 25 & 24. Observation the conditions and position of legal boundary. Block A01 Division 1: Christian Cemetery (HCV Area). Observation of HCV management. Block A02 Division 1: Moslem Cemetery (HCV Area). Observation of HCV management. <p>Stakeholder consultation interviewed:</p> <ul style="list-style-type: none"> Village of Kampung Padang Village of Tebing Tinggi Village of Negeri Lama Village of Negeri Baru Manpower Agency of Labuhanbatu Regency Agriculture Agency of Labuhanbatu Regency Environmental Agency of Labuhanbatu Regency National Land Agency Plantation Agency of Labuhanbatu Regency Labor Union in each units (BIE, SNE, PGE and PGM) Gender Committee in each units (BIE, SNE, PGE and PGM) The heirs of employees (who had the fatality accident in BIE) Employment Cooperative in each units (BIE, SNE, PGE and PGM) Local Contractor, FFB transport, EFB transport and boiler ash transport
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA 1.3 Remote Audit	Will be completed during the onsite audit.
ASA 1.3 & ASA 1.4 Onsite Audit	<p>Summary of stakeholder consultation process for PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju was held by:</p> <ul style="list-style-type: none"> Public Notification on website on RSPO and MUTU Website on 19 September 2021. Public consultation with NGOs (by email) such as WWF, WALHI, AMAN, and Sawit Watch on 28 September 2021 Public consultation meeting with government institution 4 October 2021 Public consultation meeting with communities on 4 October 2021 Public consultation meeting with internal stakeholders and contractor 4 October 2021. <p>Numbers of input from stakeholders were clarified by PT Pangkatan Indonesia.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (RC-2) will be conducted eight (9) months to twelve (12) months after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pangkatan POM – PT Pangkatan Indonesia, MP EVANS Group PLC operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were No Nonconformities were assigned against Major Compliance Indicator, No Nonconformities were assigned against Minor Compliance Indicators and there is four (4) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Pangkatan POM – PT Pangkatan Indonesia, MP EVANS Group PLC complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governor on 12th November 2020.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The Certificate Holder showed SOP Information Transparency (PI/SOP/Ummum-02) which explains the types of documents which are publicly accessible such as UKL/UPL, CSR, list of employee, GHG, HCV, and SIA. These documents can be accessed by sending a request to management. The document can be provided with the record not abused and in accordance with its designation.</p> <p>The Certificate Holder also provided a list of stakeholder related / direct contacts with it. The list of stakeholders includes government, headman, contractors, labor union, NGO, police, supplier, etc. The data is updated every 6 months (or if there were any information change) by the Head of Administration.</p> <p>Based on interview with Manpower Agency of Labuhanbatu Regency, if they needed information, they would contact the company through the mobile app and the company always responded and submitted mandatory report in accordance with each period.</p> <p>CH showed the mandatory report submitted in accordance with each period, here as follows:</p> <ul style="list-style-type: none"> • Reporting of Employment Report for PT Pangkatan Indonesia (PGI) in 2021 via online on 05 June 2021 and must be reporting back on 05 June 2022. • Reporting of Employment Report for PT Bilah Plantindo (BIE) in 2021 via online on 15 April 2021 and must be reporting back on 15 April 2022. • Reporting of Employment Report for PT Sembada Sennah Maju (SNE) in 2021 via online on 24 April 2021 and must be reporting back on 24 April 2022. • Plantation progress report (LPUP) of PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju period of Semester I 2021 has been sent to Plantation Agency of Labuhanbatu District on 8 July 2021. • HGU utilization report of PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju for the period 2020 has been sent to Land Agency of Labuhanbatu District on 5 January 2021 (PT Sembada Sennah Maju); 23 February 2021 (PT Pangkatan Indonesia); and 9 March 2021 (PT Bilah Plantindo). 	

- RKL-RPL Report Semester 1 of 2021 which was sent to the North Sumatra Provincial Manpower Office, Trade and Industry Office, Agriculture Service and Environment Agency Labuhanbatu Regency with proof of receipt dated July 28, 2021.
- Monitoring Report on the impact of waste utilization on public health Period 3rd Quarter, 2021 which was sent to the Environment Agency Labuhanbatu Regency with proof of receipt dated September 30, 2021.
- POME Monitoring Report and Checking Ground Water in Monitoring Wells for the period of Quarter 3, 2021 which was sent to the Environment Agency Labuhanbatu Regency with proof of receipt dated September 30, 2021.
- Hazardous and Toxic Waste Management Report for Quarter 2 of 2021 which was sent to the Environment Agency Labuhanbatu Regency with proof of receipt dated July 28, 2021.
- Hazardous and Toxic Waste Management Report for Quarter 2 of 2021 which was reported to the Ministry of Environment and Forestry of the Republic of Indonesia with ID TTE 1626704195-837 on July 19, 2021.
- RKL-RPL Report Semester 1 of 2021 which was reported to the Ministry of Environment and Forestry of the Republic of Indonesia with ID TTE 1626694772-2162 on July 19, 2021.
- The Compliance with OHS i.e Program and Implementation OHS & The recording of work accidents of PT Pangkatan Indonesia, PT Bilah Plantindo, and PT Sembada Sennah Maju period of Semester II 2021 has been sent to Labor Agency of Labuhanbatu District on 19 July 2021.

Based on information from the Manpower Agency, Agriculture Agency, and Environmental Agency of Labuhanbatu Regency, as well as a review of documents in the Logbook of Incoming and Outgoing Letters and Records of Evidence of Report Submission, it is known that the certification unit has been considered quite cooperative and satisfactory in providing information and data to related parties and stakeholders.

1.1.2

Based on the document review, all documents and information which are publicly accessible (mentioned in 1.1.1) provided in Bahasa and understandable by each stakeholders.

1.1.3

CH had recorded every requested information on a logbook of incoming and outgoing letters. Based on document verification, it was found that during 2020-2021 there were several information requested, such as: list of employee, organizational structure, company's vision and mission, company's brief history, and boundaries stake maps. Every requested information had been responded directly as the requested date.

Based on interview with villagers, they have understood mechanism of communication and consultation. Normally, headman of the village or communities would send a letter as a form of communication.

1.1.4 and 1.1.5

The Certificate Holder provided a list of stakeholder related/direct contacts with it. The list of stakeholders includes government, headman, contractors, labor union, NGO, police, supplier, etc. The data is updated every 6 months (or if there were any information change) by the Head of Administration.

CH also showed a list of stakeholders for each estate and mill, informed the type of institution, area, person in charge, address and telephone number, here as follows:

- Pangkatan Mill and Estate had 32 stakeholders consist of government agencies, headman of villages, NGOs, police, hospital, suppliers, contractors, and whistleblower system.
- Bilah Estate had 44 stakeholders consist of government agencies, headman of villages, NGOs, police, hospital, suppliers, labor union, restaurants, contractors, and whistleblower system.
- Sennah Estate had 21 stakeholders consist of government agencies, headman of villages, NGOs, police, hospital, suppliers, labor union, contractors, and whistleblower system.

Based on documents review, it is known that CH has been included NGOs on the list of stakeholder specifically TIPAN-RI.

Status: Comply

1.2

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

1.2.1

CH had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. This policy is freely available on the Group's website and is regularly updated to reflect changes in regulations and standards. This policy deals with:

- Transparency and complaints
- Occupational health and safety
- Quality
- Anti-bribery and anti-corruption
- Responsibility of manpower (modern slavery, provision of a decent wage, affordable housing and food, sexual harassment, equality of opportunity and anti-discrimination, child labor, workers' cooperation)
- Worker rights (freedom of association, forced labor, reproductive rights)

CH code of ethics policy had been supplemented and socialized to the workers and contractors, for example:

- Pangkatan mill and estate had carried out socialization on 6 January 2021 attended by 14 workers.
- Bilah estate had carried out socialization on 7 January 2021 attended by 32 workers.
- Sennah estate had carried out socialization on 11 August 2020 attended by 72 workers.

Code of ethics policy has been implemented by the company in all business operations and transactions including recruitment and employment contracts. Code of ethics (anti-bribery, anti-corruption, forced labor and human trafficking are stated in every work agreement contract made with third parties (contractors), fresh fruit bunches suppliers, and workers.

1.2.2

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

- SOP of recruitment (No. IDN-HRD-SOP01-01) which stated that in recruitment the minimum age to apply is 18 years old and there was no cost in recruitment process.
- SOP of information transparency (No. PI/SOP/Umm-02) which stated that the company regulated in delivering information based on the principle of free prior and informed consent, namely the freedom of speech and no pressure from any party.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS
2.1

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

2.1.1

The company has list of regulations of 2021 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as:

Land legality

The company shown evidences over its compliance toward the applicable regulation related to the aspects of land legality (HGU and IUP). As for the land cultivation permit, Certification Unit has owned the Plantation Business Permit, namely:

- PT Pangkatan Indonesia: Plantation Business Registration Letter (SPUP) No. 211/Menhutbun-VII/2000 dated March 10, 2000 on behalf of PT Pangkatan Indonesia covering an area of 2,586 ha issued by the Ministry of Forestry and Plantations of the Republic of Indonesia.
- PT Sembada Sennah Maju: Plantation Business Registration Letter (SPUP) No. HK.350/201/Bun.5/III/2001 Dated March 16, 2001 on behalf of PT Sembada Sennah Maju (Sennah Estate) Issued by the Director General of Plantations (on behalf of the Minister of Forestry and Plantations) Covering an area of 1,586 Ha Located in Bilah Hilir District, Kabupaten Labuhanbatu, North Sumatra Province. Then there is a Letter of Statement No: 522,525/525/1443/V/2014, dated December 3, 2014 from the Forestry and Plantation Service of Labuhanbatu Regency which explains that the Plantation Business Registration Letter No: HK.350/201/Bun.5/III/2001 has an area of not true. The correct one is 1,813.40 Ha.

- PT Bilah Plantindo: Plantation Business Registration Letter (SPUP) No. 212/Menhutbun-VII/2000 dated March 10, 2000 on behalf of PT Bilah Plantindo (Bilah Estate) issued by the Director General of Plantations (on behalf of the Minister of Forestry and Plantations). In the decree, it is stated that the types of plants permitted are Palm Oil with an area of 2,960.61 Ha located in Bilah Hilir District, Labuhanbatu Regency, North Sumatra Province.

Environmental Aspects, evidenced by:

Pangkalan POM Certification Unit already has all the compliance documents in the applicable laws and regulations which are divided for each estate that is included in the scope of the certification unit, namely Pangkatan Estate, Sennah Estate and Bilah Estate. The following are regulatory compliance documents for each estate, including:

PT Pangkatan Indonesia (Pangkalan POM and Pangkatan Estate)

- The company already has an environmental permit document in the form of a UKL-UPL Revision document which has been approved by the Environmental Agency of Labuhanbatu Regency number 660/274/BLH-LB/AM/2010 on July 08, 2010. The scope of the oil palm plantation's operational area is 2,586.03 ha and a palm oil processing factory with a capacity of 40-ton FFB/hour as well as composting activities.
- The company already has a permit document for the use of water resources based on the decision of the Governor of North Sumatra Number 610/470/DISPMPPTSP/6/XI.1/III/2018 dated March 26, 2018.
- The company already has a permit for the use of industrial waste for Land Application based on the Decree of the Head of the Office of Investment and One Stop Integrated Services, Labuhanbatu Regency with number 503.660/153/DPMPTSP-BP2MNP/2020 on July 2, 2020 and is valid for 5 years until July 2 2025.
- The company already has a hazardous and toxic waste management permit document for temporary storage of hazardous and toxic waste based on the Decree of the Head of the Investment and One Stop Service Office, Labuhanbatu Regency number 503.660.31/205/DPMPTSP-BP2MNP/2020 on 7 September 2020 which is valid for 5 years.

PT Bilah Plantindo (Bilah Estate)

- The company already has an environmental permit document in the form of a revised UKL-UPL document which has been approved by the Head of the Environmental Agency of Labuhanbatu Regency, number 660/223/BLH-LB/AM/2012 on May 14, 2012 with an operational area of 2,961 ha.
- The company already has a hazardous and toxic waste management permit document for temporary storage of hazardous and toxic waste based on the Decree of the Head of the Investment and One Stop Service Office, Labuhanbatu Regency number 503.660.31/204/DPMPTSP-BP2MNP/2020 on 7 September 2020 which is valid for 5 years.

PT Sembada Sennah Maju (Sennah Estate)

- The company already has an environmental permit document in the form of a revised UKL-UPL document which has been approved by the Head of the Environmental Agency of Labuhanbatu Regency, number 660/215/BLH-LB/AM/2012 on May 14, 2012 with an operational area of 1,813.40 ha.
- The company already has a hazardous and toxic waste management permit document for temporary storage of hazardous and toxic waste based on the Decree of the Head of the Investment and One Stop Service Office, Labuhanbatu Regency number 503.660.3/137/DPMPTSP-BP2MNP/2021 on 10 February 2021 which is valid for 5 years.

Best Management Practice Aspects

In term of best management practices, it was known that estate and mill management has implemented several pursuant with Indonesia laws and regulations, for example has to conduct mechanical or zero burning method during land clearing, palms planted were derived from seeds producers, recognized by the government of Indonesia. Furthermore, estate (each unit management) has implementing integrated pest management, biological control and only used pesticides listed on government website pesticide.id.

In OHS Aspect the unit of certification has established the structure for guiding committee for occupational health and safety in each management unit and this committee has received approval from the Manpower agency of Labuhanbatu Regency, which has provided emergency facilities and etc.

Manpower

Certification unit generally had complied with manpower regulation, here as follows:

- Reporting of Employment Report for PT Pangkatan Indonesia (PGE) in 2021 via online on 05 June 2021 and must be reporting back on 05 June 2022 in accordance with Government Regulations No. 35 of 2021.

- Reporting of Employment Report for PT Bilah Plantindo (BIE) in 2021 via online on 15 April 2021 and must be reporting back on 15 April 2022 in accordance with Government Regulations No. 35 of 2021.
- Reporting of Employment Report for PT Sembada Sennah Maju (SNE) in 2021 via online on 24 April 2021 and must be reporting back on 24 April 2022 in accordance with Government Regulations No. 35 of 2021.
- The implementation of the minimum wage in 2021 is in accordance with the Minimum Wage Decree of the Labuhanbatu District established by the Governor of Sumatera Utara.
- Payment of overtime wages to workers in accordance with Decree of the Minister of Manpower No. 102 of 2004 and Government Regulations No. 35 of 2021.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.

2.1.2

Procedure of legal requirement which presented in document No: PI/SOP/Umum-01; SSM/SOP/Umum-01; BP/SOP/Umum-01, dated 2 May 2011 mentioned that legal/HR manager, manager RSPO and staff RSPO has responsibility to arranged and monitored legal related laws and/or regulation. Internal audit of regulations compliance is conducted annually as example on 16 May 2021 in Bilah Estate, 16 June 2021 in Pangkatan Estate and Sennah Estate. The procedure mentioned that in order to monitor and update of laws and/or regulations, the manager and staff RSPO required to actively check and make coordination with Government Agencies or Institutions.

The auditor team has verified opportunity for improvement on a previous assessment (ASA-1.2) related update of law register. Based on the results of the auditor's verification, it is known that the list of regulations owned by the company is updated and includes the latest regulations relevant to the company's operations.

2.1.3

Procedure of legal boundary poles monitoring and maintenance is presented in document No. LGL-SOP02-01, dated 1 October 2019. Procedure mentioned that maintenance was carried out by field head assistant and assistant, Estate Manager and Department Sustainability. Monitoring the boundaries of the HGU is done every 6 months.

Field observations to several HGU boundary markers in Pangkatan Estate (No. 21, 23, 24, 01, 02, 03 and 04), Bilah Estate (No. 33, 01, 05, 13, 14, 15, 16, 17, 18, 07, 24 and 26), Sennah Estate (No. 06, 05, 01, 37, 33, 32, 31, 29, 27, 25 and 24) show that the poles sampled during the audit were available in the field and in well-maintained conditions. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title.

Status: Comply

2.2

All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.

2.2.1

In monitoring the existence of contractors for plantation and mill activities, the certification unit had well-documented the list of contractors, type of business, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has contractors in each unit. These contractors collaborate in the activities of transport FFB, replanting, and compost transportation, here as follows:

- BIE: In cooperation with 4 contractors, namely CV. Sheza Grup and CV Bilah Karya.
- PGE and PGM: In cooperation with 4 contractors, namely CV Berkah Teknik Solusi, PT Surya Baru Prima Nusantara, CV. Anugrah, and PT Putra Berkarya Berkah.
- SNE: In cooperation with 2 contractors, namely CV. Sennah Gemilang Abadi and CV. Meliala.

In managing the contractor, the certification unit has a copy of the collaboration agreement in each unit. For example, for agreement between two parties, such as:

- Work Agreement CV Anugrah (No. PI/PGE/06/2021/0035) for FFB and Compost Transport in Pangkatan Estate dated on 01 July 2021 which is valid for six months (01 July 2021 – 31 December 2021).
- Work Agreement CV Bilah Karya (No. BP/BIE/06/2021/0041-ATBS) for FFB transport dated on 01 July 2021 for the transportation

of FFB from Bilah Estate which is valid for six months (01 July 2021 – 31 December 2021).

The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

2.2.2

CH showed that there were several separate clauses on the work agreement between the certification unit and the contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' BPJS (Government Insurance Scheme), the provision of minimum wages, the obligation to use PPE, other permits such as tax payment, vehicle licenses (STNK), driver license (SIM) and others. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does work.

In addition, CH has carried out an evaluation of each contractor to see the performance of the contractors. There are several important indicators in the evaluation including work quality, stipulated completion time, compliance with regulations and laws (BPJS, tax payment, provision of minimum wages, workers minimum age, implementation of OHS, PPE, work equipment, and work in hazardous areas).

Based on the interviews with contractor workers and documents verification, it revealed that workers had received wages above the minimum wage, were registered in the BPJS program, have a vehicle license (STNK), driving license (SIM). For example:

- Proof of payment of wages for FFB transportation workers on behalf of HR (initial) who received wages above the minimum wage.
- Proof of payment of wages for FFB transportation workers on behalf of PR (initial) who received wages above the minimum wage.
- BPJS (Health Insurance) payments for CV Anugrah, have been completely fulfilled and the last proof of payment is on 16 September 2021 for period of August 2021.
- BPJS (Social Security Insurance) payments for CV Anugrah, have been completely fulfilled and the last proof of payment is on 31 August 2021 for period of August 2021.

2.2.3

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

Based on interview with the company and supported document gave to the auditor, the clause which stated that no child labor is on drafting process and will be stated on work agreement letter applies to October 2021. The company had management review document that stated the socialization to contractors about disallowing child labor had been socialized and will be stated on work agreement letter.

Based on documents review (list of contractor workers), it revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker started work.

Status: Comply

2.3

All FFB supplies from outside of the unit of certification are from legal sources.

2.3.1

The Pangkatan Palm Oil Mill has recorded its FFB sources, namely from certified and uncertified sources. For 2021, certified FFB sources are from Pangkatan Estate, Bilah Estate and Sennah Estate. for uncertified FFB sources come from indirect FFB Suppliers, namely collectors/middleman. collectors/middlemen are individuals or institutions that serve as FFB collectors from independent farmers who are not included in groups or cooperatives. In this assessment (Onsite Audit ASA 1.4) it is known that there are 4 indirect FFB suppliers, including:

No	FFB Supplier Name	Agent Name	Office Address
1	Ramp MT	Mariko	Sidorukun Village, Pangkatan District, Labuhanbatu Regency, North Sumatra Province

2	CV. Naga Tutar	Josman	Cross Village Mosque, Dusun Sei Kelapa I, Tanjung Haloban Village, Bilah Hilir District, Labuhanbatu Regency, North Sumatra Province
3	Ramp JS	Jamri	Lestari Hamlet, Kampung Padang Village, Pangkatan District, Labuhanbatu Regency, North Sumatra Province
4	Anugerah keluarga Mandiri	Sunedi (Neidi)	Kampung Dalam Village, Bilah Hulu District, Labuhanbatu Regency, North Sumatra Province

2.3.2

In addition to obtaining FFB supplies from the scope of certification, the company also obtains FFB supplies from indirect FFB suppliers as described in indicator 2.3.1. For the fulfillment of this indicator, the company has not been able to show the data as requested in the indicator, but for the time at ASA 1.4 audit was carried out it has not entered the deadline for fulfilling the indicator. The results of interviews with two FFB suppliers, information was obtained that FFB suppliers had problems meeting the demand for indicators because the FFB source obtained was not fixed or adjusted to conditions.

Status: Comply

PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE

3.1

There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.

3.1.1

The company can show a long-term plan for the period 2020 - 2024 where the long-term plan includes oil palm plantations and mills with the following details:

- Oil Palm Plantation Operations

	unit	2020	2021	2022	2023	2024
Land Clearing	Ha	-	-	-	-	-
Planting	Ha	-	-	-	-	-
Upkeep						
• Mature	Ha	565	531	397	490	571
• Immature	Ha	6,404	6,438	6,572	6,479	6,398
Harvest	Ton TBS	154,600	167,286	168,306	167,533	164,628

- Palm Oil Mill Operations

	Unit	2020	2021	2022	2023	2024
FFB though	Ton TBS	182,700	191,835	201,427	211,498	222,073
Hours of Processing		4,567.50	3,197	3,357	3,525	3,701
OER	%	23.00	23.00	23.00	23.00	23.00
KER	%	5.50	5.50	5.50	5.50	5.50
CPO production	Ton	42,021	44,122	46,328	48,645	51,077
Kernel production	Ton	10,049	10,551	11,078	11,632	12,214
FFA	%	3.50	3.50	3.50	3.50	3.50

- Budget plan

	2020	2021	2022	2023	2024
FFB sales	-	-	-	-	-
Sales of CPO	357,310	375,176	393,935	413,632	434,313
Sales of kernels	47,164	49,522	51,998	54,598	57,328
Grand Total	404,475	424,698	445,933	468,230	491,641
Net Balance					
A. Total Income	404,475	424,698	445,933	468,230	491,641
B. Total Expenses	231,796	254,559	279,587	307,104	337,360

Net Balance	172,679	170,139	166,346	161,126	154,281
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3.1.2

The company can show the replanting program projected for the next 5 (five) years with the following details:

Company	Total Planted	Ha Replanting				
		2020	2021	2022	2023	2024
PT Pangkatan Indonesia	2,433	-	-	-	-	161
PT Bilah Plantindo	2,855	-	302	95	93	222
PT Sembada Sennah Maju	1,681	-	-	-	-	-
Total Sumut	6,969	-	302	95	93	383
% Replanting		0	4	1	1	5

The long-term plan is then outlined in the form of an Annual Plan and Monthly Work Plan in each division for each activity. Each month an evaluation is carried out on the achievement of the specified budget.

3.1.3

Based on the document review and the results of interviews with management, it can be concluded that the company can show long-term planning documents and are evaluated annually in the North Sumatra Projection document for 2020-2024. The last evaluation was carried out on February 2021 with participants including: Senior Manager, Estate Manager, Mill Manager and related staff. Some evaluations include cost reduction idea contest, harvest system, efficiency, yield, FFA, fertilization performance, repair of damaged vehicles and heavy equipment, pest control, and replanting on Bilah Estate.

Status: Comply

3.2

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

3.2.1

The management unit has developed and implemented an action plan for continuous improvement and it is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification, such as:

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable fuels and the use of fertilizers and pesticides are in accordance with the recommendations to reduce the use of fossil fuels.

Environmental aspects

In the context of periodic environmental management monitoring, the company has carried out several activities for continuous improvement, taking into account the main social and environmental impacts and opportunities faced by the certification unit, including:

- Waste management and monitoring through WWTP pond management, composting and land application.
- Determine an action plan for socialization to the surrounding community on environmental management contained in the 2021 HCV Management Activity Plan document, and the 2021 social impact management plan.
- Include villages around the company's area to be included in the list of villages that contribute to reducing the greenhouse effect, which is called "Kampung Iklim (Climate Villages)". The results of interviews with the Environmental Service, Villages around the company occupy the 2nd position for the Provincial scale.
- Implement regulations to reduce the use of plastic waste with concrete steps, namely the prohibition of the use of plastic bottles for drinking water in all areas of the certification scope.
- Applying soil hole for absorption (*Biopori*) in all areas of emplacement within the scope of certification.
- Reforestation of factory areas by planting local forestry plants.

On Aspect Best Management Practices instance, of Estate has the strategy the installing of fruit trap and natural predator (*sikanus*) to controlling of moth (moth of fire caterpillar or bugworms) related time efficiency and increased safety during installation. For OHS aspect company has identified needs and conducted training for workers who are required to have special competencies as regulated in regulations such as steam aircraft operators, lift transport operators, OHS Expert, and diesel motor operators.

The company has carried out the Socialization and Drafting of the Covid-19 Prevention Protocol. The company has issued SOP on guidelines for the prevention and spread of the Covid-19 outbreak. On March 16, 19, 20, 21 and 23 the company has conducted outreach to all employees and communities around the company and took rare actions in preventing the Covid-19 virus as a form of company concern

Some of the actions taken include the following:

- Placement of an Information Banner regarding Covid-19
- Provide a hand washing area and hand sanitizer at the plantation location
- Abolishing all corporate meeting activities and conducting events that present large crowds

3.2.2

Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

Name of RSPO Member	: MP Evans Group PLC
RSPO Membership Number	: 1-0027-06-000-00
Name of Certified Unit	: Pangkatan Palm Oil Mill
Name of Certification Body	: Mutu Certification International
RSPO PalmTrace ID Number	: RSPO_PO1000000283
Number of Mills	: 1
Number of Estates	: 3
Production Area (ha) - Estate	: 6,966
Certified Area (ha) - Estate	: 7,409.31
High Conservation Value (HCV) Area (ha)	: 52.4
Peatlands - Planted (ha)	: 821.66
Freshwater Usage per PO produced tonne	: 3.06
Average LTIFR	: 0
Total Workers	: 103
% of Local Workers of Total Workers	: 91.3%
% of Non-Local Workers of Total Workers	: 8.7%
% of Contract Workers of Total Workers	: 16.5%
% of Female Workers of Total Workers	: 4.9%
% of Young Workers	: 0.0%

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company has palm oil cultivation and processing procedures (SOP) available in Indonesian. Cultivation procedures regulate activities starting from the stage of land clearing, nursery, planting, maintenance, harvesting, sending FFB to the factory until replanting, while the processing procedure regulates activities starting from the FFB acceptance to testing the product quality. SOP has covered the key processes for example harvesting, transportation, manuring, IPM, GAP, and SCCS)

The procedure is available on audit site (Estate and mill office) and are written in a language (Bahasa) that is easily understandable for workers. Based on field observation in mill and estate during an audit, it was known if the procedure has been implemented and the workers can explain and demonstrate their work in accordance with the procedure, refers to the best practices of operational, safety, and environmental.

3.3.2

The company conducted several methods to monitor the implementation of procedures. Among others conducted annually operational and RSPO internal audits in order to monitor the implementation of the procedures. Operational internal audit evaluates the implementation of operational and administration of estates and mill. Whereas RSPO internal audit evaluates the implementation of sustainability procedures in estates and mill. Furthermore, the management representative (Assistant, Manager, and related Superiors) routinely conducts inspectorate visits to control the implementation of the procedures. Daily internal supervision was carried out by the level of supervision starting from the Foreman, Division Assistant, Head Assistant, to the Estate Manager

3.3.3

The company can show internal documents of the RSPO management system audit carried out on each estate. Based on the Non-Conformity Form and Internal Audit Observation, it was known that the unit given a maximum corrective action up to three months before the next internal audit period. Records of monitoring and corrective actions has been observed, covers operational and RSPO Internal Audit, Monthly Report, etc. For instance, RSPO Internal Audit of Pangkatan Mill was carried out on 15 June 2021, Bilah estate dated 16 May 2021, 16 June 2021 in Pangkatan Estate and Sennah Estate. Operational audit has been conducted monthly covers aspects of harvesting quality, manuring quality, circle and path quality, as well as harvesting losses. All nonconformity has been followed up and fulfilled by each management unit. The audits have covered several aspects of contractors such as minimum payment and payment of employment insurance.

The result of field visits and interviews with the harvesting supervisor indicated that they also record all operational activities in the Supervisor's and submit such reports on a daily basis. The daily report describes types of work, numbers of workers, usage of materials, and employee's individual achievement. Hereinafter all of the company's operational activities are recorded in the form of Monthly Reports for both the estate and the Mill. Said operational activity report is a recap from the daily activities. The company also discusses each item of the activities. The evaluation mechanism for the entire operational activities, both the estate and the mill, is performed by the manager. The report is a regular report prepared by the unit manager of the estate and the mill and submitted to top management.

Status: Comply

3.4

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

3.4.1

The certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage and the post-operation stage. Some of the documents held by the certification unit include:

Environmental Impact Assessment (EIA)

The company already has an environmental impact analysis contained in several documents, including:

- PT Pangkatan Indonesia (Pangkalan POM and Pangkatan Estate)
The company already has an environmental permit document in the form of a UKL-UPL Revision document that has been approved by the Environmental Agency of Labuhanbatu Regency number 660/274/BLH-LB/AM/2010 on July 08, 2010. The scope of operation of the oil palm plantation is 2,586.03 ha and a palm oil processing factory with a capacity of 40-ton FFB/hour as well as composting activities.
- PT Bilah Plantindo (Bilah Estate)
The company already has an environmental permit document in the form of a revised UKL-UPL document which was approved by the Head of the Environmental Agency of Labuhanbatu Regency, number 660/223/BLH-LB/AM/2012 on May 14, 2012 with an operational area of 2,961 ha.
- PT Sembada Sennah Maju (Sennah Estate)
The company already has an environmental permit document in the form of a revised UKL-UPL document which has been approved by the Head of the Environmental Agency of Labuhanbatu Regency, number 660/215/BLH-LB/AM/2012 on May 14, 2012 with an operational area of 1,813.40 ha.

In general, the aspects that must be managed by the company based on the recommendations from the UKL-UPL study include:

- Testing the quality of river water, well water and water biota.
- Management of solid waste (empty leaves, fiber, shells, and sludge).

- Management of ambient air quality, noise, dust and odors.
- Waste/domestic waste management.
- Management of fixed source emissions or air pollution.
- Management of hazardous wastes and toxic.
- Management of surface water quality and groundwater quality.
- Land/estate fire management.
- Management of Employment Opportunities for the surrounding community
- Public perception and occupational health and safety.

Social Impact Assessment (SIA)

Certification unit already conducted a Social Impact Assessment (SIA) for Palm Oil Plantations and Mills within the scope of Unit Certification Pangkatan POM that carried out by Envirollogic Consulting in June 2011. The scope of the SIA 2011 study is for all company under Unit Certification Scope namely PT Pangkatan Indonesia, PT Bilah Plantindo, and PT Sembada Sennah Maju. Social impact assessment is included as part of Complementary to all environmental impact assessments. The assessment involved all parties affected by both internal and external stakeholders, including employees, workers union, village heads around the plantations and local NGOs. Participatory evidence with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. The villages surrounding the company involved in the SIA study are:

- PT Pangkatan Indonesia: Sidorukun Village, Kampung Padang Village and Pondok Batu village, as well as workers of estate and POM.
- PT Sembada Sennah Maju: Perkebunan Sennah Village, Kampung Sennah Village, and Negeri Lama village and plantation workers.
- PT Bilah Plantindo: Perkebunan Bilah Village, Bilah Hilir Village, and plantation workers.

Community representatives who became resource persons in this assessment were the village head, village secretary, village apparatus, BPD, hamlet head, traditional leaders, village midwives, and farmers/fishermen/laborers. The types of data collected were primary and secondary data. Primary data collection for monitoring social impact management was obtained from informants as the affected party as well as local village officials who represented the community and as verifiers. The secondary data or indirect data collection is in the form of evidence, notes, archives or published historical reports as well as references in the form of AMDAL, HCV documents, local government literature, notes on CSR implementation and others. The aspects of the assessment are Economic Life (Natural Potential, Livelihoods, Local Economy, Food Security, Vulnerable Groups, Company Contribution, Plasma Plantation Development) and Social and Cultural aspect. Meanwhile, another secondary data is obtained indirectly through intermediary media in the form of published evidence, records, archives, or historical reports. Retrieval of secondary data through literature studies. Secondary data is obtained from related units in order to document impact management as well as additional data from relevant affected parties. The reading material used is documentation of the implementation of impact management, internal company data, correspondence between the company and affected parties, and so on. Secondary data is also obtained from parties that are not directly related, such as sub-district data or news or pages from the media. Negative and positive issues were summarized during the assessment included management recommendations.

3.4.2

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented. Certification unit has also evaluated for each significant impact monitoring parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that all parameters are still appropriate by the related Quality Standards, and there is no indication of contamination.

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the company. The certification unit makes RKL-RPL reports base on attachment of Environmental Permit where the matrix is a compilation of all previously owned UKL-UPL Matrix. The environmental management report is carried out every 6 months and submitted to the relevant agency, namely the RKL-RPL Report for Semester 1 of 2021 for each unit (PT Pangkatan Indonesia, PT Bilah Plantindo, and PT Sembada Sennah Maju) which was sent to the North Sumatra Provincial Manpower Office, Trade and Industry Office, Agriculture Service and Environment Agency Labuhanbatu Regency with proof of receipt dated July 28, 2021 and attached with the stamp, signature and name of the recipient as well as proof of sending documents notes. Based on the report on the implementation of the RKL-RPL in the semester 1 of 2021, it is known there is no negative impact caused by the

unit of certification, such as all factory waste quality testing which is carried out periodically and in accordance with the quality standard set by the government.

Meanwhile, the social impact monitoring and management plan has been managed and monitored through the SIA Implementation Report for 2020 based on the results of the SIA management plan 2019-2021. social programs from companies related to community development, economic improvement of the surrounding community, strengthening communication and networks with stakeholders, environmental improvement programs, and reforming the workforce. The program is equipped with activities to be carried out, challenges, opportunities, implementation strategies, expected outcomes, and implementation timelines. The planned program comes from the results of the Focus Group Discussion carried out in SIA activities that have been carried out in villages around company is added with the results of the analysis. The program is a general plan that will be implemented by the company based on the analysis of stakeholder needs and mapping of stakeholders related to company either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication and cooperation with all stakeholders in order to achieve the company's goals. Activities are derivatives of programs that have been planned and are technical activities that will be carried out by the company in the context of implementing the planned program.

Based on analysis document from SIA Management Plan 2019-2021, The social impact in this assessment is divided into positive impact, and negative impact. Positive impact is an influence arising from the company's activities that provide better benefits/conditions for a particular object, while the negative impact is an influence from the company's activities which makes certain objects worse off. The social impact assessment is carried out based on the perceptions of the representative's community in the assessment location that represents that community. Community perception is the perspective of a group of people who live together in a certain environment that is the same in providing conclusion to an object. Conclusion on an object is formed based on knowledge, vision, and observation so that the community with each other allows to produce a different perception different for the same object. the company has analyzed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative impacts on both external and internal levels, and so on. The company's strategic plan for the management of SIA is also contained in the document, including:

Strategy	Action
New Activity Analysis	Carry out inspections and measurements to ensure the implementation of plantation activities Checking the UKL & UPL reports, Examination of the Social Impact Assessment/SIA identification reports and recommendations.
Fulfillment of Legal and Legal Requests	All statutory and legal requests need to be identified and registered Compilation of a summary of all legal matters relating to other requests All related permits and certificates are documented and monitored for expiration and renewal
Communicating with Stakeholders	Provide adequate information to related parties. Ensure that policies, observations, targets and programs are informed and understood by all stakeholders

Based on the results of consultations with representatives' workers, there were no forms of discrimination against workers, no underage workers were found, the company has fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, educational infrastructure (schools), and other facilities. The company also allocates resources for the maintenance of the entire facility.

3.4.3

Environmental Impact Assessment (EIA)

The company has documents, the implementation of the results of the environmental permit including reports to agencies in the form of RKL-RPL documents which are conducted every semester. The company can show proof of reporting in the form of a document affixed with a stamp, the name and signature of the recipient which is sent to relevant agencies such as the Environment Agency of Labuhanbatu Regency with proof of receipt dated July 28, 2021, for the RKL-RPL Report for Semester 1 of 2021.

The implementation of environmental management and monitoring is carried out in accordance with the direction of the RKL-RPL as described in indicator 3.4.1. The effectiveness of environmental management and monitoring can be seen from the results of environmental management and monitoring analysis, which can also be seen from the suitability between the management and monitoring plans and their implementation in the field. The RKL-RPL document also shows that the company has managed all the impacts recommended in the UKL-UPL Documents. In general, the forms of evaluation carried out by the company include Trend

Evaluation, Critical Level Evaluation and Compliance Evaluation. Several things can be concluded from the RKL-RPL document, among others:

PT Pangkatan Indonesia (Pangkalan POM and Estate)

- Laboratory analysis results for all environmental monitoring test parameters of PT. Pangkatan Indonesia tend to have values below the threshold set by the government.
- Noise level values above the quality standard at several work stations of the Pangkatan Mill
- The management that has been carried out shows progress when compared to the previous semester, namely for aquatic biota parameters which have increased when compared to the test results last semester and when compared to the initial environmental baseline.
- Some of the implementation results have been carried out according to the plan and have increased compared to the previous results.

PT Bilah Plantindo (Bilah Estate)

- Waste management for the areas/villages around HGU is still not good, because residents often throw garbage out of place, resulting in poor sanitation.
- Environmental management carried out has been implemented in accordance with the recommendations.
- Implementation of environmental management is in accordance with the environmental management plan.

PT. Sembada Sennah Maju (Sennah Estate)

- The company has implemented environmental management recommendations in accordance with the UKL-UPL matrix.
- There are still community members who tend not to heed the appeals or prohibitions based on road traffic signs that have been made by the Estate to reduce speed, protect the environment and the forest.
- Waste handling for most of the areas/villages of PT. Sembada Sennah Maju and the villages around the PT. Sembada Sennah Maju is a swamp or peat area so it often experiences flooding when it rains.
- Around the HGU PT. Sembada Sennah Maju is still not good, because residents often throw garbage in the wrong place, resulting in poor sanitation.

Based on the results of field observations, it can be seen that the company has carried out environmental management in accordance with the RKL-RPL by installing signboard for conservation areas. In addition, there is also marking in the form of stakes and red paint for spray-boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilizer workers, they also stated that they were aware of the prohibition on applying chemicals to the buffer zone marked in red. In addition, they do not apply chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds.

Social Impact Assessment (SIA)

The social management and monitoring plan is implemented, monitored and updated periodically in a participatory manner. In general, the social management plan of Pelantaran POM is work programs from companies that are grouped into the social community, strengthening stakeholders, social culture and employment. The planned program is derived from the results of the Focus Group Discussions held in SIA 2019 activities that have been carried out in villages around company and the workers/employees within the company (already explain in 3.4.1). Review activities have involved the surrounding village community, among others:

- Pangkatan Estate: this review has been carried out by public consultation at Pangkatan Plantation Village, Kampung Padang Village, Pondok Batu Village, Sidorukun Village, Tebing Pangkatan Village on January 27, 2020.
- Bilah Estate: this review has been carried out by public consultation that was conducted in Perkebunan Bilah Village, Kampung Bilah Village, and Negeri Baru Village on January 23, 2020.
- Senna Estate: this review was conducted by a public consultation at Perkebunan Sennah Village, Sennah Village, and Negeri Lama Village on January 28, 2020.

Programs that will be implemented in all units within the scope of Pangkatan POM include:

Aspect	Action
Social	<ul style="list-style-type: none"> • Interview of the public's perception of the company • CSR Program • Absorption of Local Labor • Housing Improvement Program

	<ul style="list-style-type: none">• Provide (Internship training) to local students• Scholarship Program• Have a meeting with the Trade Union• Impact of employees with remote access• stay at work• Management of flood impacts to villages around PT Pangkatan
Employee Health and Safety	<ul style="list-style-type: none">• Medical check-up for workers affected by• chemical material• Collaborating with BPJS Health• Provision of PPE to workers who have a level of danger• tall one• Care for Children's Playground (TPA) Care for children• not brought to the field when parents work in the field• Providing first aid kits at the Estate and Mill locations• Provision of health workers for employee examination• Making road signs
Environment	<ul style="list-style-type: none">• Making road signs• Environmental Impact Assessment Analisa• River Water Quality Monitoring• Measure the quality of palm oil mill effluent
Counseling	<ul style="list-style-type: none">• OHS Training/Socialization (Occupational Safety and Health)• To Employees• Socialization of Social Issues and SOPs to the Community
Security	<ul style="list-style-type: none">• Security patrol to avoid fruit theft and• lose loose

Through the implementation of the SIA program, Pangkatan POM applies the RSPO's 7 principles on responsible new plantation development. For this reason, company is currently carrying out the stages of the Free, Prior, Informed and Consent (FPIC) PSR program to comply with the 7 RSPO principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations in the CSR program involves women's representatives as community representatives who have an important role. Through this CSR program, it is hoped that it will be able to encourage women to be more active and involved in decision making in villages that are CSR targets in accordance with the FPIC Principles. Referring to the results of the verification of the SIA 2011 study, Pangkatan POM has implemented Free, Prior and Informed Consent (FPIC) in the management of its plantations and palm oil mills. The application of FPIC in every aspect of activities that involve interaction with the community is contained in the company's commitment to sustainability and in the company's obligations as a member of the RSPO. The implementation of FPIC is a manifestation of the company's respect for community rights and other social components related to company activities.

Based on the results of the study of the SIA document, the following information was obtained:

- The company has a Social Impact Assessment Management and Monitoring Plan (SIA) which is prepared every 2 years, by collecting data related to community perceptions which is carried out periodically every 2 years.
- Based on the results of the study of the SIA Action Plan Report for the period November 2019 to October 2020, information was obtained that the last public perception data collection was carried out in January 2020, while for the period June 2020 it could not be carried out due to the Covid-19 pandemic.
- The results of interviews with management regarding the collection of community perception data in 2021 also cannot be carried out due to the Covid-19 pandemic.

However, based on the results of field verification, identification of issues on the internet and interviews from several sources, some information was obtained that could have an impact on social aspects within the company. This is an opportunity for improvement for the company to identify public perceptions that can cover all issues that exist in the future SIA management period. (OFI).

	Status: Comply	
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3.5
A system for managing human resources is in place.
3.5.1 - 3.5.2

CH had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collective Labor Agreement period 2018-2020 (extended to December 2021) written in Bahasa. In general, these procedures describe:

- Recruitment of workers is based on company's needs.
- The company prioritize internal/local worker in recruitment based on the procedures and regulations.
- The workers who have been accepted will through three months of probation.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable regulations.

In addition, the procedures of employee's recruitment, appraisal, promotion, and remuneration explained specifically in several SOPs. These procedures have been documented and socialized to all workers and their representatives, here as follows:

- SOP No. IDN-HRD-SOP01-01 dated on 01 February 2021 concerning Recruitment.
- SOP No. IDN-HRD-SOP04-01 dated on 01 February 2021 concerning Remuneration.
- SOP No. IDN-HRD-SOP05-01 dated on 01 February 2021 concerning Employee's Appraisal.
- SOP No. IDN-HRD-SOP06-01 dated on 01 February 2021 concerning Promotion.

Certificate holder also documented all labor procedures that have been carried out properly such as recruitment, promotion, performance appraisal, and termination. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- The certificate holder showed recruitment document such as job hiring announcement and the work acceptance letter. For example, a worker on behalf of BMP (initial) who started working as a permanent harvester worker (SKU-H) with three months of probation on 1 June 2021.
- The certificate holder showed promotion document such as promotion & class recapitulation, and management decree for grade promotion. For example, a worker on behalf of NH (initial) who had a promotion based on worker's appraisal, from SKU-H to P1 on 01 Januari 2020.
- The certificate holder also showed termination document such as the management decree of employment's termination. CH also showed other supporting documents such as calculation of termination payments in accordance with the applicable laws.

Based on the interviews with the Manpower Agency of Labuhanbatu, the company had been applied the existing labor procedures in accordance with the regulations. During 2020-2021, there were some tripartite mediations request due to termination cases. Regarding to that issue, the company had calculated the termination payment in accordance with the existing law, but there were some parties who disagree (the lawyer and employees).

Based on the interviews with workers (harvesting, pesticide applicator, nursery, mill operators) in PGM, PGE, BIE and SNE, workers had a sufficient understanding of the procedures related to recruitment, promotion, and termination of employment. Workers explain that in the acceptance process carried out in accordance with the terms according to ability, promotion is based on an assessment of the performance of each employee each year, and termination of employment can occur if the worker has committed a serious violation and absent for five days continuously.

Status: Comply

3.6
An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.
3.6.1
Hazard Identification, Risk Assessment and Control

The certification unit has prepared Risk Assessment (HIRAC) document which is evaluated annually based on the previous year's work accident data. The 2021 Risk Assessment Analysis document includes a risk analysis of all activities in the estate, workshop and mill.

OHS Program

OHS Committee monthly meetings, safety training for all employees and foremen, an inspection of fire extinguishers and hydrants every month, PPE inspection every month, fire drill & emergency evacuation plan once a year, periodic employee health checks, maintenance of OHS signs every month, an inspection of chemical storage places and Hazardous and Toxic Material Waste every month, EHS induction of new employees, contractors and guests safety meeting area, safety week, PPE inspection/checklist every month, an inspection of workplace miles every month, first aid training for Emergency Response Team officers, safety roadshows, and work accident reports.

Medical Check-Up

Medical check-up are carried out regularly with 2 systems, namely internal and external health checks. External health checks are carried out once a year by Anugrah Ibu Clinical Laboratory and for 2020 it has not been implemented as stated in the circular letter of the Minister of Manpower of the Republic of Indonesia Number M / 7 / AS.02.02 / V / 2020 dated May 20, 2020 concerning Business Continuity Plans in Facing the Corona Virus Disease Pandemic 2019 (Covid 19) and the Covid-19 Transmission Prevention Protocol in Companies, employee health examination activities are one type of activity that is temporarily postponed until the Covid-19 pandemic ends. On audit ASA 1.4, the company shows the Medical Check Up implementation plan document described in the OSH Department memorandum dated September 14, 2021 (number. 003/OSH-EI/IX/2020) to all workers who work in high-risk work areas, for example fertilizer workers, sprayers, workers engine room, boiler, kernel station and etc. Medical Check Up is planned to be held on September 25, 2021. There is also evidence of an email from the OSH department to the manager Estate and Mill regarding the approval of the Medical Check-Up collaboration that will be carried out by an external clinic on October 25, 2021. Meanwhile, the auditor has also verified the results of the internal Medical Check-Up for the period January to August 2021 for workers who work in high-risk work areas every month, and it is concluded that the workers are in good health and fit to work.

The company can show the OSH work program in 2021 made by the P2K3 Secretary (OHS Expert), which is contained in the training matrix document consisting of identification of potential hazards (sources/events, impacts), existing controls, initial risk analysis (level of likelihood, severity, risk level). The activities identified have included all activities in the Estate and Mill.

Based on the review of these documents, it can be concluded that the certification unit already has documents related to occupational safety and health such as OHS policies, OHS programs, identification of hazard sources and risk control and OHS procedures.

The company has also disseminated the results of the risk analysis identification, including:

- Minutes of meeting activities on June 25 2021 with submissions regarding the discipline of using PPE, potential hazards at work and smoking culture in the workplace (photo and attendance attached).
- Minutes of the socialization of SOPs and Basic OHS activities to sorting employees discussed the responsibilities of workers, SOPs for sorting work and basic OHS (photo and attendance attached).

Accident Work Report

Based on P2K3 reports in the 2nd quarter of 2021 it is known that the number of work accidents is 0 for Mill and 1 moderate work accident and 5 minor work accidents for Pangkatan Estate. The work accident does not result in lost workdays so no work accident investigation is carried out. The results of the communication with the P2K3 secretary found that the dominant accident was hit by a thorn for the mild category and sharp objects for the medium category.

3.6.2

OHS training

Among them are simulations for handling emergencies and fires in Januari 2021 for Mill and May 2021 for the estate. Training on the use of fire extinguishers, to safe working procedures in hot and higher area. Apart from that, in the morning briefing, OHS socialization was also held periodically. The company has an OSH program for the 2021 period such as monthly P2K3 meetings, regular P2K3 reporting to the Manpower Agency, safety inspections, periodic health checks, recording of work accidents, first aid checks, PPE checks, OHS training, simulations 1 once a year such as emergency response simulations and socialization on OHS every 1 year such as socialization of SOPs, handling of hazardous waste, fire risk, use of Light Fire line, MSDS and hazardous waste symbols.

Based on the results of interviews with the WWTP operator, pesticide sprayer, and chemical storage workers, it is known that workers have been given socialization related to OHS such as the use of PPE, socialization related to risk identification, socialization related to covid, and so on. Submissions related to OHS have also been delivered through briefing activities before work is carried out.

Status: Comply

3.7
All staff, workers, Scheme Smallholders, out growers, and contract workers are appropriately trained.
3.7.1 and 3.7.2

Certificate holder had training identification and program for 2021 in order to improve the competence and expertise of all workers including contractors. There were 85 training programs in period of 2021, for example:

- Training for HCV and animal monitoring.
- Training/socialization about reproductive rights, disallowance of sexual harassment, and gender committee.
- Socialization of company's vision and mission, grievance, and LKS Bipartit.
- Training for harvesting, pesticide applicator, replanting, and land clearing.
- Training and socialization of emergency responses and firefighting management

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

- Firefighting training on 02 October 2020 which was attended by 41 participants from workers.
- Policies socialization on 06 February 2021 which was attended by 40 participants.
- Policies socialization and whistleblower management on 07 June 2021 which was attended by six participants from FFB supplier.
- Integrated pest management training on 31 May 2021 which was attended by all census workers in BIE.
- Policies socialization and occupational health and safety training on 26 January 2021 which was attended by 8 contractor workers.

Based on field observations and interviews with workers (harvesters, sprayers, census workers, nursery workers, warehouse workers, and mill operators), it is known that workers have understood their work in accordance with the procedures set by the company and their understanding of the duties and responsibilities for each job showed quite well.

3.7.3

Certificate holder showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, and related stakeholders. The training of SCCS had been conducted on 20 May 2021 for security, weighbridge, grading, analysis and CPO dispatch operator. Based on interview to the workers involved in supply chain operations, such as security (for FFB receiving verification), weighbridge operator (for dividing amount of certified and uncertified sourced), the PIC related to supply chain has been understood the supply chain mechanism, and the MB record has conducted and monitored well.

Status: Comply

3.8
Supply Chain Requirements for Mills
3.8.1 and 3.8.2

The Mill was used RSPO supply chain of Mass Balance module due to still received FFB from other FFB supplier which has not been certified with RSPO. The Mill has conducted verification the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products.

3.8.3

Estimated certified product recorded in the last assessment report (ASA-1.2). The estimates of certified production for the next license period describe at ASA-1.3 + ASA-1.4 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

Products	Last Year Projected (19 October 2019 – 18 October 2020)	Extension Volume (18 October 2020 – 18 October 2021)	Actual (Sept 2019 – August 2021)
FFB Certified (MT)	165,000	156,390	350,401.58
CSPD (MT)	38,000	47,408	79,274.44
CSPK (MT)	9,100	11,955	18,612.50

3.8.4

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

- Member Name: Pangkatan Palm Oil Mill
- License ID: CB94950
- Core Product: Palm Oil
- Member ID: RSPO_PO1000000283
- RSPO Membership Number: 1-0027-06-000-00 (M.P. Evans Group PLC)
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain (No. IDN-SUS-SOP05-01 dated 25 January 2021). These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

Based on interviews in Pangkatan POM note that the weighbridge operators understand the supply chain management system. It also known that training and refreshment (awareness) of supply chain management system were carried out annually, for instance on 20 May 2021.

3.8.6

Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 10 June 2021. Based on result of internal audit, there is 4 non conformity and it has been closed on 30 June 2021 and complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 30 June 2021. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process performance and product compliance, follow up of previous management review, actions taken regarding the findings and recommendation for improvement.

3.8.7

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 24 months before audit which is Sept 2019 – August 2021:

Month	FFB (ton)		Total
	Certified	Non-Certified	
Sept 2019	15,518.84	1,951.61	17,470.45
Oct 2019	16,256.31	2,790.78	19,047.09
Nov 2019	13,503.58	2,261.23	15,764.81
Dec 2019	13,308.10	2,798.15	16,106.25
Jan 2020	13,875.59	3,819.45	17,695.04
Feb 2020	12,995.08	4,241.78	17,236.86
March 2020	14,138.73	2,964.60	17,103.33
April 2020	13,789.00	2,947.88	16,736.88
May 2020	11,522.81	3,094.94	14,617.75
June 2020	12,714.48	1,337.64	14,052.12
July 2020	15,705.79	3,284.40	18,990.19
August 2020	17,836.90	2,070.52	19,907.42
Sept 2020	17,610.40	1,922.34	19,532.74
Oct 2020	13,992.36	2,906.70	16,899.06
Nov 2020	12,544.74	2,568.14	15,112.88

Dec 2020	13,603.40	3,252.74	16,856.14
Jan 2021	11,513.94	2,752.91	14,266.85
Feb 2021	11,193.02	2,251.66	13,444.68
March 2021	14,915.67	3,070.94	17,986.61
April 2021	16,585.20	3,326.64	19,911.84
May 2021	14,351.04	2,893.12	17,244.16
June 2021	14,986.42	4,948.31	19,934.73
July 2021	17,434.02	3,245.14	20,679.16
August 2021	20,506.16	1,949.96	22,456.12
Total	350,401.58	68,651.58	419,053.16

Estimated certified product recorded in the last assessment report (ASA-1.2). Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected (19 October 2019 – 18 October 2020)	Extension Volume (18 October 2020 – 18 October 2021)	Actual (Sept 2019 – August 2021)
FFB Certified (MT)	165,000	156,390	350,401.58
CSPO (MT)	38,000	47,408	79,274.44
CSPK (MT)	9,100	11,955	18,612.50

Regarding the projected overproduction of certified volume, the company can show evidence that it has sent a letter of request for additional quota to CB and approved for the additional volume, for instance on 27 August 2021 and the latest on 5 October 2021.

Mechanism to handling and control nonconformance product are described in SOP that regulating among others controlling / handling of raw materials received (FFB), product identification in process, control of final product to be shipped to buyer and controlling/handling the improper document. In the procedure described if any occurring of non-conforming of oil product or document, the product is not claimed to be an RSPO certified product.

3.8.8

The mill has product information provided in such as document of contract agreement, delivery order, delivery ticket, report of loading, weighbridge ticket and other invoices, as example at invoices of CSPK certified delivery on 2 June 2021 for 27.36 ton. The information provided on invoices are:

- The name and address of the buyer (PT Sari Dumai Sejati – Jakarta);
- The name and address of the seller (PT Pangkatan Indonesia – Pangkatan POM in Labuhanbatu District)
- The loading or shipment / delivery date (2 June 2021);
- A description of the product supply chain model (Mass Balance)
- The date on which the documents were issued (2 June 2021);
- The quantity of the products delivered (27.36 ton);
- Any related transport documentation (transport by CV Jasa Sumber Asahan);
- A unique identification number (68327);
- RSPO certificate number (Mutu-RSPO/051);
- etc.

3.8.9, 3.8.10 and 3.8.11

All the product, processing and other physical handling of certified product done and legally owned by the Pangkatan POM. Pangkatan POM is not outsourced activities to independent third parties, either subcontractors for storage, transport or other outsourced activities. The buyer takes the certified product directly in the Pangkatan POM.

3.8.12

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales.

The Mill has SOP of Supply Chain RSPO No. IDN-SUS-SOP05-01 dated 25 January 2021, stated that all records shall be kept minimum for 10 years. To the auditors the company can show all the required documents covering all aspects of this RSPO Supply Chain Certification Standard requirements such as record of certified product shipping, sales contract, delivery order / invoice, production report and product sales. Based on document review known that the mill still kept the document according to the procedure.

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 24 months before audit (September 2019 – August 2021):

Month	CPO (ton)		Total
	Certified	Non-Certified	
Opening stock	2,145.13		
Sept 2019	3,613.07	439.91	4,052.98
Oct 2019	3,741.30	645.11	4,386.42
Nov 2019	3,099.54	516.27	3,615.81
Dec 2019	3,058.37	638.73	3,697.10
Jan 2020	3,200.47	871.47	4,071.94
Feb 2020	2,942.78	954.01	3,896.80
Mar 2020	3,208.75	668.04	3,876.79
Apr 2020	3,133.88	663.95	3,797.83
May 2020	2,581.78	689.27	3,271.05
June 2020	2,816.30	301.79	3,118.09
July 2020	3,483.88	716.27	4,200.15
Aug 2020	3,870.35	479.71	4,350.05
Sept 2020	4,093.01	428.92	4,521.93
Oct 2020	3,189.64	654.42	3,844.06
Nov 2020	2,783.68	565.80	3,349.48
Dec 2020	3,039.29	720.58	3,759.87
Jan 2021	2,618.82	624.58	3,243.40
Feb 2021	2,606.00	526.19	3,132.19
Mar 2021	3,418.35	693.12	4,111.47
Apr 2021	3,734.63	750.04	4,484.68
May 2021	3,260.07	653.34	3,913.41
June 2021	3,266.21	1,074.21	4,340.42
July 2021	3,794.85	701.21	4,496.06
Aug 2021	4,719.41	446.78	5,166.20
Total	81,419.57	15,423.72	94,698.16

Month	CSPO Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
Sept 2019	-	3,426.53	-	3,426.53
Oct 2019	-	5,606.62	-	5,606.62
Nov 2019	-	3,800.78	-	3,800.78
Dec 2019	700.00	2,869.06	-	3,569.06
Jan 2020	-	2,482.62	-	2,482.62
Feb 2020	-	4,224.42	-	4,224.42
Mar 2020	-	5,582.11	-	5,582.11
Apr 2020	-	3,917.01	-	3,917.01
May 2020	-	2,000.00	-	2,000.00
June 2020	-	-	-	-
July 2020	-	1,656.71	-	1,656.71
Aug 2020	-	3,230.66	-	3,230.66
Sept 2020	-	5,364.18	-	5,364.18
Oct 2020	-	3,851.48	-	3,851.48
Nov 2020	2,943.76	420.14	-	3,363.90
Dec 2020	2,056.24	-	-	2,056.24
Jan 2021	2,995.13	-	-	2,995.13
Feb 2021	788.11	1,450.00	-	2,238.11
Mar 2021	2,816.76	478.81	-	3,295.57
Apr 2021	-	2,521.19	-	2,521.19
May 2021	1,000.00	2,021.79	-	3,021.79
June 2021	1,193.35	2,961.77	-	4,155.12
July 2021	1,254.77	2,516.44	-	3,771.21
Aug 2021	-	3,192.46	-	3,192.46
Total	15,748.12	63,574.78	0.00	79,322.90

Month	PK (ton)		Total
	Certified	Non-Certified	
Opening stock	519.80		
Sept 2019	865.59	107.23	972.82
Oct 2019	860.93	150.10	1,011.03
Nov 2019	702.87	117.79	820.66
Dec 2019	695.37	146.14	841.51
Jan 2020	735.93	203.51	939.44
Feb 2020	691.89	225.20	917.09
Mar 2020	752.34	157.38	909.73
Apr 2020	727.27	155.84	883.11
May 2020	603.63	164.20	767.83
June 2020	621.62	63.28	684.90

Month	CSPK Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
Sept 2019	1,496.03	-	-	1,496.03
Oct 2019	1,032.32	-	-	1,032.32
Nov 2019	614.91	-	-	614.91
Dec 2019	3.45	-	338.05	341.50
Jan 2020	59.30	-	499.46	558.76
Feb 2020	900.28	-	-	900.28
Mar 2020	1,020.18	-	-	1,020.18
Apr 2020	713.86	-	-	713.86
May 2020	671.57	-	-	671.57
June 2020	39.29	-	282.52	321.81

July 2020	745.36	155.32	900.69	July 2020	397.46	-	49.07	446.53
Aug 2020	964.42	114.19	1,078.61	Aug 2020	989.17	-	-	989.17
Sept 2020	1,018.09	105.07	1,123.16	Sept 2020	1,331.14	-	-	1,331.14
Oct 2020	747.93	150.45	898.38	Oct 2020	897.44	-	-	897.44
Nov 2020	656.52	132.46	788.98	Nov 2020	825.91	-	-	825.91
Dec 2020	746.33	178.30	924.63	Dec 2020	788.46	-	-	788.46
Jan 2021	637.50	153.18	790.68	Jan 2021	754.00	-	-	754.00
Feb 2021	610.93	124.17	735.10	Feb 2021	732.76	-	-	732.76
Mar 2021	809.31	164.19	973.50	Mar 2021	865.60	-	-	865.60
Apr 2021	874.30	175.50	1,049.80	Apr 2021	844.55	-	-	844.55
May 2021	759.05	150.30	909.35	May 2021	515.26	-	-	515.26
June 2021	750.68	245.31	995.99	June 2021	606.93	-	-	606.93
July 2021	891.39	163.78	1,055.17	July 2021	626.42	-	-	626.42
Aug 2021	1,143.26	107.22	1,250.47	Aug 2021	956.47	-	-	956.47
Total	19,132.31	3,610.10	22,222.61	Total	17,682.76	0.00	1,169.10	18,851.86

3.8.13 and 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 24-month period for September 2019 until August 2021 i.e OER 22.60% and KER 5.30%. Periodically update of extraction is actual extraction.

3.8.15

SCSS module used in Pangkatan POM is Mass Balance (MB), because the mill receives FFB from third party that non-certified RSPO.

3.8.16

RSPO IT Platform member registration number for Pangkatan Palm Oil Mill is RSPO_ PO1000000283. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch. For example Certified PK sold to PT Multimas Nabati Asahan dated 7 July 2021 for 300 MT and transaction creates in IT Palm Trace dated 26 August 2021 and Certified CPO sold to PT Multimas Nabati Asahan dated 12 July 2021 for 750 MT and transaction creates in IT Palm Trace dated 1 October 2021.

Removing Stock

For the CSPO and CSPK that sold as other scheme or conventional, the company has removing the stock from the palm trace or sell as credits, as example:

- Removing stock of CSPO dated 27 November 2020 for 38,979.03 MT (transaction ID: ST-TR-90244631-29f0).
- Removing stock of CSPO dated 2 October 2021 for 13,138.15 MT (transaction ID: ST-TR-b4aa6133-a806).
- Removing stock of CSPO dated 4 October 2021 for 2,500 MT (transaction ID: ST-TR-70a12f8d-94b3).
- Removing stock of CSPK dated 7 October 2021 for 1,169.10 MT (transaction ID: ST-TR-64678f17-a4a7).

3.8.17

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

Status: Comply	
PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS	
4.1	
The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.	
4.1.1	
CH had a Policy concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. This policy is freely available on the Group's website and is regularly updated to reflect changes in regulations and standards. This policy deals with:	

- Transparency and complaints
- Occupational health and safety
- Quality
- Anti-bribery and anti-corruption
- Responsibility of manpower (modern slavery, provision of a decent wage, affordable housing and food, sexual harassment, equality of opportunity and anti-discrimination, child labor, workers' cooperation)
- Worker rights (freedom of association, forced labor, reproductive rights)

CH is committed to act ethically and honestly in conducting business and to implementing and enforcing effective systems and controls to ensure there is no modern slavery within the Group or its suppliers or business partners. Company also committed to provide fair and equal opportunities to all its workers. And prevent discrimination in the workplace, stated as follows:

- The Group will provide equal opportunities for all workers to obtain decent work and income and to develop their careers regardless of race, caste, nationality, ethnicity, religion, disability, gender, sexual orientation, trade union membership, politics, or age;
- The Group assigns all employees according to the expertise, appropriateness, ability, skills and experience of the individual, as well as the needs of the Group;
- The Group will not tolerate any discrimination based on sex, such as role restrictions, labeling, violence, intimidation and excessive workload;
- The Group will at all times comply with laws on discrimination in the process of termination of employment, terms and conditions of employment, wages and benefits, promotion and transfer opportunities, training, recruitment and reduction of workers.

Based on documents verification and interviews with the workers and labor union, the company had been socialized the policy concerning on Sustainability and Business Ethics for example on 6 January 2021 to all workers.

4.1.2

Disallowance of violence or any intimidations stated on company's Policy concerning on Sustainability and Business Ethics. The policy explained that the group disallowance the physical abuse, forced labor, verbal abuse, intimidation, and harassment by the management or workers.

Based on interviews with manpower agency of Labuhanbatu, headman, labor union, gender committee and operational workers revealed that there were no any conflict and violence happened in the company.

Status: Comply

4.2

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

4.2.1

Certificate holder showed some policies which related to grievance system and dispute monitoring, here as follows:

- SOP No. HRD-SOP15-01 dated on 03 February 2020 concerning in handling any dispute. The policy explained activities of dispute identification, dispute analysis, dispute management planning, dispute handling implementation, monitoring and evaluation and reporting.
- SOP No. PI/SOP/Uum-02 dated on 04 September 2013 concerning in information transparency. The policy explained the company regulated in delivering information based on the principle of free prior and informed consent, namely the freedom of speech and no pressure from any party.
- Minutes of meeting of workers socialization concerning in whistleblower. It described that if there were any requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower). CH also provided independent hotline number for any confidentiality grievance and it also listed in stakeholder list.

Based on the interviews with workers (harvesters, loose fruit pickers, and mill operators), they all knew about the communication procedures and people who served as communicators between the company and the community so that people who cannot read / write can be informed by the related communicators. In addition, during the past year there were no complaints or dispute that occurred between the company and the surrounding community.

4.2.2; 4.2.3; 4.2.4

Based on internet surfing, there were some issues related to employment, the problems raised include:

- The Respondent does not furnish a written employment agreement to daily casual workers;
- Daily casual workers are not registered to the Social and Employment Security Insurance (BPJS Ketenagakerjaan) and Healthcare Security Insurance (BPJS Kesehatan);
- Daily casual workers are not provided with payslips;
- Daily casual workers are not provided with bonus or rice allowance;
- The Respondent provides an insufficient amount of statutory festivity allowance (THR) to daily casual workers; and
- The Respondent fails to provide Personal Protective Equipment (PPE) for workers when working in the Respondent's oil palm plantation area.

The media stated that the company did some termination of 17 daily casual workers and do not pay the termination payment. Based on Industrial relations dispute in District Court, the 19 daily workers prevail their lawsuit.

In terms of clarifying the issues, the company has been able to show supporting documents including:

- Daily Worker Agreement for the period 2015 - 2019 and proof that the agreement has been registered with the Labuhan Batu Regency Manpower Office. The work agreement contains clauses regarding the type and place of work, working days and hours, wages and work regulations
- Occupational accident insurance policy from PT Chubb General Insurance Indonesia for 728 Evans Indonesia employees with a validity period of 1 May 2019 to 30 April 2020
- Proof of payment of insurance January - December 2019 for BHL employees
- Health facilities for employees, such as clinics and a memorandum of health services to employees dated January 16, 2012, which basically states that all employees (both permanent, non-permanent and casual workers) have the right to receive health services at the clinic in accordance with company regulations.
- List of casual employees' wages for the period 2015 – 2019
- Employment policies regulated in the Collective Labour Agreement. In the agreement, it is clearly stated that the scope is employees of permanent worker (*SKU*)
- Recap of giving holiday allowance for daily worker from 2017 – 2019
- Statement of PPE acceptance from 2015 – 2019

Based on the interviews with the manpower agency of Labuhanbatu, it revealed that before the issues brought to the district court, it went through the industrial relations dispute (tripartite). The company had been discussed about the payment of termination of daily casual worker and the manpower agency stated that there was no termination payment to daily casual worker in accordance with the existing law (government regulation No. 35 of 2021).

The 19 daily casual workers on behalf of SMS (initial) under the lawyer JS (initial) disagree with the manpower agency's (tripartite) pronouncement so they brought the issue through the district court. The company didn't receive any court judgment decree, they got the news from the media that the 19 daily casual workers prevailed their lawsuit.

Based on the interviews with the company, they stated that the company still wait for the court judgment decree since they didn't receive any yet, and plan to do some judicial appeal.

Status: Comply

4.3

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

4.3.1

CSR (Corporate Social Responsibility) program is a form of concern and responsibility of the company in fostering good relations with the surrounding community. CSR can be interpreted as an effort from a company to improve its image in the eyes of the public by making programs, both external and internal. External program in partnership by involving all stakeholders to pay attention to the company and the surrounding environment. While internally able to produce well, achieve maximum profit and improve the welfare of its employees. In general, there are 3 forms of CSR carried out by Pangkatan POM for each unit, namely CSR based on Charity, CSR in the form of generosity and CSR in the form of community development. The forms of corporate CSR include:

- Provision of assistance in the event of a disaster (e.g., flood disaster relief)
- Education, among others in the form of scholarships, assistance for honorary teachers, educational facilities and infrastructure, and others
- Cultural and religious events (funds for competitions, funeral expenses, donations for misfortunes, and religious events)
- Program for strengthening and strengthening plantation families to improve the quality of life of Emplacement
- Procurement or improvement of accessibility (roads, bridges, culverts)
- Tournaments, training and counseling and other assistance.

From the CSR activities carried out above based on / referring to the results of the identification of the needs of the community around the company through SIA (Social Impact Assessment) conducted by independent consultations and the company has made efforts to fulfill and determine the program. The program implemented and given to the community is a coaching program in the form of improving and fulfilling work skills as well as capital assistance, so that later it is hoped that the surrounding community can be independent and or open up independent work opportunities/opportunities.

The existence of Pangkatan POM Certification Unit has an impact on the community around the company. Based on the results of the interviews, it can be seen that most of the people have felt the positive impact or benefits of the company's existence, such as the community having interaction with the company in the form of cooperation with the company, the environment, discussing infrastructure issues. In addition, the existence of the company is also very useful, especially in absorbing labor for the community.

Based on interviews with representatives from the Negeri Baru Village, it is known that the preparation of the CSR program was carried out with input from the village or proposal submissions, so far, the CSR program has been running smoothly. The basis for determining CSR programs for the community is based on regular meetings between the company and the surrounding villages every 2 times a year. The company has also improved the welfare of the community around the plantation by building villages within the plantation area, such as Perkebunan Pangkatan Village, Perkebunan Bilah Village and Perkebunan Sennah Village. All of these villages are always involved in the company's activities, especially those currently being implemented, namely the Climate Village.

The company has carried out development around the plantations, among others, through various activities in several sectors such as education, health, road construction, agriculture, productive business, sports, arts and culture and religion. These activities are shown in the document on the results of the Recapitulation of the Realization of CSR Activities carried out during the period January – December 2020 and January – September 2021. The document contains information in the form of the sector of activity that was provided with assistance, the start and end date of the activity, the location and number of beneficiaries, the person in charge. activities, institutions that are partners in providing CSR, the amount of funds provided and the expected positive impact of these CSR activities. The document also shows evidence in the form of photos of activities.

Based on the results of consultations with village representatives and local (civil) contractors, it is known that the company has used local workers and contractors from villages around the company. The company has local proof of transaction documents including local purchases, use of local contractors and others. Based on the results of document reviews and interviews, it shows that the company has prioritized providing opportunities for purchasing/procuring goods and services to communities around the plantations. Based on interviews with representatives of LKS Bipartite and employee cooperatives, the company confirmed that it would make local purchases and cooperate with local contractors in order to help the economy of the surrounding community.

Status: Comply

4.4

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

4.4.1

The area of certification units within this scope is 7,409.31 Ha based on Land Use Title (HGU) for its three supply bases. The details of the land use title (HGU) are explained as follows:

PT Pangkatan Indonesia – Pangkatan Estate

- HGU Certificate No. 02 of 1997 on behalf of PT Pangkatan Indonesia covering an area of 2,586.03 Ha located in Perkebunan Pangkatan Village, Bilah Hilir District, Labuhanbatu Regency, Sumatera Utara Province, valid for 25 years (until 31 December 2023).

PT Sembada Sennah Maju – Sennah Estate

- HGU Certificate No. 01 of 2002 on behalf of PT Sembada Sennah Maju covering an area of 1,813.40 Ha located in Perkebunan Sennah Village, Bilah Hilir District, Labuhanbatu Regency, North Sumatera Province valid for 25 years (until 12 March 2032).

PT Bilah Plantindo (on behalf of PT Surya Makmur) – Bilah Estate

Bilah Estate has 2 valid HGU certificates and 1 HGU which is currently in the process of being submitted, namely:

- HGU Certificate No. 31 of 2010 on behalf of PT Surya Makmur covering an area of 1,315.07 Ha located in Perkebunan Sennah Village, Bilah Hilir District, Labuhanbatu Regency, North Sumatera Province valid for 25 years (until 31 December 2036).
- HGU Certificate No. 1 of 1989 on behalf of PT Surya Makmur covering an area of 1,641 hectares with a validity period of up to 31 December 2018. During the audit, the company showed that the HGU Extension Certificate No. 81 of 2021 on behalf of PT Surya Makmur covering an area of 1,516.63 Ha on 2 June 2021 and valid until 31 December 2043. However, the area is reduced compared to the area in the previous HGU certificate. The company said that in fact there was no physical area increase from the previous HGU.
- Therefore, the company showed an application letter for HGU covering an area of 178.18 Ha to the Head of the Labuhanbatu Land Office on 6 February 2020. The company showed evidence that the area had obtained a Location Permit covering an area of 178.18 Ha on 26 July 2018. Then a letter was also shown from Ministry of Agrarian and Spatial Planning / National Land Agency Regional Office of the National Land Agency of North Sumatera Province No: 78/UND-300.HT.01.02/V/2020 dated 8 May 2020 regarding invitations to several agencies to carry out inspections, research and field reviews as well as The meeting of the Land Inspection Committee B in the context of making Minutes of Land Inspection "B" related to the HGU application on behalf of Aleksa Sihombing who acted as Director of PT Surya Makmur covering an area of 178.18 Ha located in the Village of Bilah Plantation, District of Bilah Hilir, Labuhanbatu Regency, North Sumatera Province. However, until this audit was carried out, the company had not received further information regarding the Committee B trial process. Therefore, companies are encouraged to ensure that the process of acquiring land rights in the form of HGU in the 178.18 Ha area is carried out in a positive manner. OFI

Due to the change in the area of PT Bilah Plantindo from 1,641 Ha (HGU Certificate No. 1 of 1989) to 1,516.63 Ha on the extension of the new HGU certificate (HGU Extension Certificate No. 81 of 2021) as described above and also there is an application letter for HGU covering an area of 178.18 Ha to the Head of the Labuhanbatu Land Office, so that there is a change in document area but in actual physical area there is no increase or decrease in the area. This has resulted in a written document covering the scope of RSPO certification in the previous audit to change from 7,355.50 ha to 7,409.31 Ha. The results of field visits to HGU boundary markers revealed that there is no potential for additional area around the company because the company already borders community plantation areas and other company concession areas.

4.4.2, 4.4.3, 4.4.4, 4.4.5 and 4.4.6

The certification units are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making. According to information gathered during stakeholder consultation with communities and Plantation Agency of Labuhanbatu Regency, it was clearly mentioned that no customary rights is available within the plantations.

Status: Comply

4.5

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

4.5.1 – 4.5.8

There is no land expansion activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There were the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.

Status: Comply

4.6

Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented

system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

4.6.1

The company has procedure of Land Acquisition and Compensation, document No. PI/SOP/Uum-21 dated 28 December 2011 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Kampung Padang Village, Tebing Tinggi Village, Negeri Lama Village and Negeri Baru Village known that they know about the procedure through the socialization given and they agree with the procedure.

The certification unit are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

4.6.2. 4.6.3 and 4.6.4

The company has procedure of Land Acquisition and Compensation, document No. PI/SOP/Uum-21 dated 28 December 2011. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Kampung Padang Village, Tebing Tinggi Village, Negeri Lama Village and Negeri Baru Village known that they know about the procedure through the socialization given and they agree with the procedure.

The certification unit are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

Status: Comply

4.7

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

4.7.1

The company has a procedure in place to identify people and/or community groups entitled to compensation presented in document No. PI/SOP/Uum-21, dated 28 December 2011. The procedure is described how to identify people and/or community groups entitled to compensation. Based on public consultation with village representatives from Kampung Padang Village, Tebing Tinggi Village, Negeri Lama Village and Negeri Baru Village known that they know about the procedure through the socialization given and they agree with the procedure.

4.7.2

The company has procedure of Land Acquisition and Compensation, document No. PI/SOP/Uum-21, dated 28 December 2011. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Kampung Padang Village, Tebing Tinggi Village, Negeri Lama Village and Negeri Baru Village known that they know about the procedure through the socialization given and they agree with the procedure.

4.7.3

The certification unit are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

Based on public consultation with village representatives from Kampung Padang Village, Tebing Tinggi Village, Negeri Lama Village and Negeri Baru Village known that certification unit routinely provide CSR and there are people living around the company who work as employees in the certification unit.

Status: Comply

4.8

The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they

have legal, customary, or user rights.

4.8.1 – 4.8.4

The company has established the mechanism for conflict resolution and land dispute in the procedure No. HRD-SOP15-01 dated 3 February 2020. Based on public consultation with related government agencies of Labuhanbatu District and village representatives (Kampung Padang Village, Tebing Tinggi Village, Negeri Lama Village and Negeri Baru Village) known that there is no land dispute case for the last 2 years. During field visit, auditor observe random area and not sighted land dispute area. Based on that fact, auditor concluded that there is no land dispute case in PT Pangkatan Indonesia, PT Sembada Sennah Maju and PT Bilah Plantindo.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1

Based on documents verifications it was known there are no smallholder that's supply to Pangkatan POM; however, the mill is received the FFB from outside dealers. Document verification in the period of twelve (12) months before assessment (July 2020 – August 2021) there are four (4) regular FFB Suppliers. FFB price are stipulated in work agreement that agreed by both parties. Some considerations in determining the price of FFB such as CPO prices, transportation costs, and the proposed price from the supplier.

The pricing mechanism has been explained in the FFB purchase agreement which was signed by both parties. The interview with management unit also obtained information if FFB prices that has been determined are available and could be accessed by suppliers, information on price changes was made via SMS, WA and telephone to the supplier's PIC.

5.1.2

Based on the results of interviews with management of Certification unit, information was obtained that all documents related to pricing issued by the Plantation Agency can be accessed by supplier directly from the Plantation Office or communication media (handphone). In addition, unit of certification regularly explains the FFB pricing to supplier, the company also has a mechanism to convey prices. Based on the results of interviews with Ramp MT and Ramp JS, stated that the price set by the company was in accordance with the price set by the local Plantation Service, where if there was a price update, the company immediately submitted the latest price through the FFB supplier communication group owned by the Certification Unit.

5.1.3

Based on documents verifications it was known there are no smallholder that's supply to Pangkatan POM; however, the mill is received the FFB from four (4) regular FFB Suppliers/ outside dealers. However, the company has made a fair price determination that has been agreed upon with the supplier, which is documented in the Letter of Agreement, in the document there is a statement that the price set to determine the FFB selling price is the price set by the Plantation Office Pricing Team, so that the parties hereby declare that they will obey the price fixing so that one party and the other party are not entitled to request an increase or decrease in price. There are also specifications and implementation requirements as well as sanctions that must be met by the second party.

5.1.4

Based on documents verifications it was known there are no smallholder that's supply to Pangkatan POM; however, the mill is received the FFB from four (4) regular FFB Suppliers/ outside dealers. However, the company has made improvements to the welfare of the communities around the plantations by buying FFB from supplier from surrounding villages, where are the suppliers of all the farmers who want to be involved, not limited to men or women. In addition, for positions such as gender associations is a woman. They are also involved in determining the agreement between the two parties.

5.1.5

The company also can show several contracts with FFB suppliers that are based on mutual agreement, fair, legal and transparent and have an agreed term. For example, the SPK between the Company and the longest and permanent FFB supplier (Ramp MT) on May 04, 2015 is valid for an indefinite period. For the price of FFB, the parties agree that the sale and purchase price of FFB will be submitted by the company via e-mail and/or other approved communication tools. In addition, the MOU with other FFB suppliers for FFB Sale and Purchase Agreement No 24/MKT-PGI/X/2019 dated 04 October 2019 between PT Pangkatan Indonesia and CV Naga

Tutor (FFB Supplier), in the work agreement stipulates the Terms of FFB Delivery, Conditions for Receiving FFB at the Buyers, Price and payment method, force majeure, agreement period (one year), Anti Bribery, anti-corruption, and dispute resolution.

Document verification and public consultation with community representatives and contractors during the audit showed that the contracts made between the company and the FFB suppliers and local contractors were made fairly, legally and transparently. Local FFB suppliers have understood the contract agreement they have made as evidenced by the agreement signed by both parties (the company and the supplier). In the document, there is a statement that the price set to determine the FFB selling price is the price set by the Plantation Agency Price Fixing Team, so the parties hereby declare that they will obey and obey the price fixing so that one party and the other party are not entitled to request an increase or decrease in price. The agreement (MoU) or contract regulates completely and clearly the rights and obligations of the two parties, the technical provisions of the agreement / work to a fair payment method agreed by both parties. There are also specifications and implementation requirements as well as sanctions that must be met by the second party.

5.1.6

The company can show proof of FFB payment, such as the example contained in the Minutes of FFB payment submission documents for CV Naga Tutor for the FFB purchase period in July 2021 which is paid about 1 week after the FFB submission is made. This minute has been signed by the management of the cooperative and the company. Based on document verification, it is known that there are no discounts and the payment has been in accordance with the amount of FFB sent.

The document also contains information on production, gross income and net income after deducting costs and maintenance which will be distributed to each farmer. This report was signed by the Company and the supplier. The results of interviews with FFB suppliers also stated that payments were made on time and there were never any problems or delays in payments for a long period of time. The company always pays according to the mutually agreed price.

5.1.7

The company has tested the electronic weigh bridge which was carried out on August 12, 2021 and valid until August 12, 2022 for PT Pangkatan Indonesia and PT Bilah Plantindo and carried out on December 1, 2020 and valid until 30 November 2021 for PT Sembada Sennah Maju. The test is carried out by the legal metrology technical service unit Labuhanbatu Regency with evidence, among others: PT Pangkatan Indonesia (Pangkalan POM)

- Test Result Certificate number 510.3/105/DagInd-Met/KHP/08/2021 for serial number 124950296 with a maximum capacity of 40,000 Kg
- Test Result Certificate number 510.3/106/DagInd-Met/KHP/08/2021 for serial number 110350189 with a maximum capacity of 40,000 Kg

PT Bilah Plantindo (Bilah Estate)

- Test Result Certificate number 510.3/107/DagInd-Met/KHP/08/2021 for serial number 121450366 with a maximum capacity of 40,000 Kg

PT Sembada Sennah Maju (Sennah Estate)

- Test Result Certificate number 510.3/172/DagInd-Met/KHP/08/2021 for serial number P5B18AA2180 with a maximum capacity of 30,000 Kg

The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely performed the calibration of weighing equipment by third parties

5.1.8

The certification unit has supported farmers who are members of the supplier to participate in certification. This is evidenced by the results of interviews with the company that had carried out socialization related to RSPO certification. The obstacle faced is the difficulty of controlling farmers who are members of FFB suppliers because those who are taken are from various kinds of farmers who are around the company with land conditions that have unclear land legality status.

5.1.9

The company has a Standard Operating Procedure regarding Internal and External Complaints No. PI / SOP / Umum-05 No. Rev 01 dated April 25, 2013 which explains how to resolve any internal and external complaints properly and quickly. The document also explains among other things:

- Every complaint, both internal and external, must be entered into the Complaints Book
- Within 2 weeks, each head of the unit is obliged to make an effort to resolve it first by taking into account the facts
- If at the end of the stage at the Legal / HR Department it cannot be completed, then in the context of settlement and both parties must uphold the results of the decision according to legal channels

Apart from that in the Communication and Consultation SOP No. PI / SOP / Umum-19 dated April 27 2015 at point 4.5 every time there is a conflict the company prioritizes the familial process and communication between the two parties to reach a consensus between the two parties, management takes action to the applicable legal channels in accordance with the SOP for Internal and External Complaints. Furthermore, the Evans Group Indonesia Policy on Business Continuity and Ethics in July 2019 also discusses transparency and complaints, which can be accessed through www.mpevans.co.uk

Status: Comply

5.2

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

5.2.1; 5.2.2; 5.2.3 and 5.2.5

Based on documents verifications it was known there are no smallholder that's supply to Pangkatan POM; however, the mill is received the FFB from four (4) regular FFB Suppliers/ outside dealers. The company has conducted socialization to all FFB suppliers in collaboration with certification units related to RSPO, ISPO and ISCC certifications. The obstacle faced is the difficulty of controlling farmers who are members of FFB suppliers because those who are taken are from various kinds of farmers who are around the company and land conditions that have unclear land legality status.

5.2.4

Based on documents verifications it was known there are no smallholders that are supplied to Pangkatan Oil Mill FFB from outside dealers or agents.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

CH had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. The Group aims to provide fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace, stated specifically as follows:

- The Group provides equal opportunities for every worker to get a job and earn a decent income, as well as get career opportunities, regardless of all forms of discrimination, namely: race, caste, nationality, ethnicity, religion, disability, gender, sexual orientation, union membership political affiliation and age.
- The Group assigns each workforce according to their skills, abilities, work experience and business and operational needs.
- The Group will not tolerate any discrimination based on sex such as restrictions, labeling, violence, intimidation and excessive workload.
- The Group will at all times comply with laws on discrimination in the process of termination of employment, terms and conditions of employment, wages and benefits, promotion and transfer opportunities, training, recruitment and reduction of workers.

Based on the workers' recruitment document and interviews with the workers, unit certification had provided equal opportunities in recruitment and operational activities. In addition, in job vacancies that have been published by the company, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the gender committee, women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several lost fruit pickers are female workers.

6.1.2

Certificate holder showed job vacancies announcement, work acceptance letter and work agreement letter between workers and company which showed that there was no payment asked during the recruitment process. In addition, in job vacancies that have been published by the company, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with manpower agency, gender committee, labor union, and workers (harvester, pesticide applicator, and process operator) at PGM, PGE, BIE and SNE, it is known that workers have never felt that the company has discriminated. It was explained that all activities from recruitment, performance appraisal, and promotion given the equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in trade unions, politics, or age. There was no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. The company also didn't ask for any payment during recruitment process.

6.1.3

CH had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collective Labor Agreement period 2018-2020 (extended to December 2021) written in Bahasa. In general, these procedures describe:

- Recruitment of workers is based on company's needs.
- The company prioritize internal/local worker in recruitment based on the procedures and regulations.
- The workers who have been accepted will through three months of probation.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable regulations.

In addition, the procedures of employee's recruitment, appraisal, promotion, and remuneration explained specifically in several SOPs. These procedures have been documented and socialized to all workers and their representatives, here as follows:

- SOP No. IDN-HRD-SOP01-01 dated on 01 February 2021 concerning Recruitment.
- SOP No. IDN-HRD-SOP04-01 dated on 01 February 2021 concerning Remuneration.
- SOP No. IDN-HRD-SOP05-01 dated on 01 February 2021 concerning Employee's Appraisal.
- SOP No. IDN-HRD-SOP06-01 dated on 01 February 2021 concerning Promotion.

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

- The certificate holder showed recruitment document such as job hiring announcement and the work acceptance letter. For example, a worker on behalf of BMP (initial) who started working as a permanent harvester worker (SKU-H) with three months of probation on 1 June 2021.
- The certificate holder showed promotion document such as promotion & class recapitulation, and management decree for grade promotion. For example, a worker on behalf of NH (initial) who had a promotion based on worker's appraisal, from SKU-H to P1 on 01 Januari 2020.

6.1.4

Based on field observation, interviews with the management and workers, also documents review, there were no woman worker in any pesticide application and fertilizing activities. All women workers placed in safer job such as teacher, day care keeper, and loose fruit picker.

Certificate holder also showed list of pregnant woman and breastfeeding mothers that showed all women placed in safer job (teacher, loose fruit picker and office staff). There were no discriminatory in pregnancy testing given by the company.

6.1.5

Gender committees had been formed and still active until today in each unit (PGM, PGE, BIE, and SNE) which are chaired by the committee chairperson along with coordinators in several sections and there are representatives in each unit. The structure of the gender committee not only consists of female workers but also includes male workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights.

Based on the interviews with several workers, they also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the sexual harassment and domestic violence. The activity was carried out on March 2021 which was attended by female workers and housing residents. The results of this socialization can be seen with the absence of sexual harassment in company operational activities and the workers given equal opportunities for all genders (male or female).

6.1.6

Equal payment of wages had been made by certification unit properly, taking into account the ability, performance, expertise, period time of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the types of work respectively. In addition, based on the documents review of structure and scale wage, it was found that the certification unit already had a wage scale structure for each worker based on position and class (do not based on gender or origins). For example, the lowest wage scale is for permanent worker in SKU-H Class and the highest wage is in EL class.

Based on the interviews with workers (harvesting, pesticides applicator, loose fruit picker and mill operators) in PGM, PGE, BIE and SNE, the workers already know that there is a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. The monthly wages received are in accordance with the grade owned by each worker and so far, there have been no complaints / errors regarding this matter.

Status: Comply

6.2

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

6.2.1

The certification unit had procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2018-2020 (extended to December 2021) written in Bahasa. This Collective Labor Agreement explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The company regulation had been routinely disseminated by the certification unit to all employees, one of the socializations that was carried out on 4 September 2020 which was attended by 18 participants (mill workers).

The certification unit still have workers with contract status (PKWT). All the rights for each employment status have been distinguished for workers with contract status (PKWT) and the permanent status (PKWTT). Certification unit also registered the contract worker with to Manpower and Transmigration Agency of Labuhanbatu in each unit, for example in BIE, the company registered the contract worker on 09 September 2021 for 25 workers.

Based on the interviews with workers (harvesters, pesticide applicator, nursery workers. and mill operators) and labor union representatives, conclude that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2020 and 2021 have been above the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

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

6.2.2 and 6.2.3

Certificate holder has Collective Labor Agreement provided in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline,

deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. These all stated in each worker's work agreement. Explanations related to the contents of the Collective Labor Agreement include:

- Article IV concerning Working Time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week, in which the total working hours are 40 hours in a week.
- Article V concerning Wages which explains the wage that cannot be lower than the minimum wage set by the government every year, granting rice allowance to all workers according to its calculation, and other explanations.

In addition, remuneration generally stated in Collective Labor Agreement, and specifically stated in a decree explain these matters, as follows: Decree No. 017/SK.UPAH/PI-HR/III/2021 concerning Minimum Wage of Permanent Workers (SKU-H) PT. Pangkatan Indonesia in 2021 is Rp. 3.143.000/ month (minimum) determined based on Labuhanbatu Minimum Wage Determination in 2021. For workers with the lowest wages are employees with 0-1 year of work period, and the highest wages for workers with more than 12 years of work period (Rp. 3.143.000 + Rp. 7.000/ month).

CH showed overtime payment in June-August 2021 that has been accordance with applicable laws for workers on behalf of ABS (initial) as boiler operator, ST (initial) as engine room operator, SBN (initial) as estate security and MH (initial) as sterilizer operator. In the payroll document, there is information that states the results of the worker's overtime wages which already accurate as in overtime calculation.

A review of payslip document (harvest workers, security, and mill operators) for June to August 2021, proved that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2021. For example, workers' wages on behalf of NRD (initial), SPR (initial), SBN (initial) have a different based on wage scale structure 2019/2020 and all wages above the minimum wage.

CH also showed paid leave letter which showed that maternity leave was given 3 months of paid leave. For example, the paid leave letter on behalf of LST, who had given 3 months (03 December 2018 to 04 March 2019).

The company had shown their consistency in this ASA-4 assessment of work agreements that are owned by every worker so there is no policy to accept family members who help with work without a valid work association. In addition, during the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties.

6.2.4

CH has provided welfare facilities to occupants in the form of housing, clinics, water supply, drink water (reverse osmose), educational facilities, masjid, transportation and other facilities in each unit. Based on the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there was daycare for children. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers.

In addition, the company also provides waste disposal sites for domestic waste management. For health services, the company provides clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided for workers are still functioning properly.

In general, the facilities provided by the certification unit are in good conditions and in sufficient quantities related to the number of workers in each unit. Based on field observation, all housing has well-maintained drainage. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing that is repaired if there is damage (usually if there is damage the worker will inform it and it will be handled directly by the company).

6.2.5

Certificate holder had made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide small restaurants to sell in the workers' area for lunch. In addition, there are also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers (harvesters, pesticide applicator, and mill operators), housing residents, labor unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities. In addition, workers can buy these needs into markets around the area of the company with less difficult access.

6.2.6

In Indonesia there were no living wage standard is established, so certification unit still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conducting an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage.

CH had simulated the Prevailing Wage calculation in each unit. The components included in the calculation of a living wage include the following:

- Housing: Rp 171,941
- Electricity and Water: Rp 62,158
- Education: IDR 55,788
- Daycare: IDR 11,665
- Health: Rp 57,516
- Monthly wage (each worker): Rp. 3,143,000

So that the value of the monthly wage plus other benefits is around IDR. 3,502,068.

6.2.7

During the assessment, the certification unit still has workers with contract status (PKWT) for the BIE, SNE, PGE and PGM. Furthermore, the contract workers in all estate (BIE, SNE, and PGE) placed only in temporary work such as upkeep. Based on the interviews with company, and documents review, it is known that there were contract workers in Pangkatan Mill who placed in main job, namely boiler operator, sterilizer operator, and engine room operator. CH informed that there were a peak production in PGM since they received more FFB from each estate also FFB external supplier. CH also showed the supporting documents that the currently contract workers in mills are only because the load of production in mills and their contract will end in 10 October 2021.

Based on the interviews with harvester and mill operators, they stated that the harvesters and mill operators normally had permanent status.

CH also showed company's management review for 2021, which stated that there will be recruitment in Pangkatan Mill for permanent workers who have three months of probation.

Status: Comply

6.3

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

6.3.1

CH had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. It stated that the group respects workers' rights to freedom of association and association with other individuals and collectively expresses, encourages, pursues and defends the common interest. It specifically explained:

- The Group provides opportunities for all workers to establish free, open, independent, democratic and responsible trade unions and to register these unions with the relevant legal authorities
- The group gives all workers the option to become union members or not without coercion from any party
- The Group recognizes employees' rights to freedom of association and assembly

The document is published in Bahasa which can be understood by all employees. In addition, CH has a Collective Labor Agreement which states that labor union have the right to establish trade unions and become members / leaders of trade unions in accordance with applicable regulations.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

6.3.2

CH properly documented the records of meetings between trade unions and management representatives as well as with internal unions. The following are examples of records of meetings conducted by labour unions in 2021, namely:

- The meeting between the labor union (PGE) with management representative on 26 August 2021 a discussion about the revision of Collective Labor Agreement attended by six persons.
- The meeting between the labor union (BIE) with management representative on 24 June 2020 a discussion about Independence Day attended by seven persons.
- The meeting between the labor union (SNE) with management representative on 28 November 2021 a discussion about the revision of Collective Labor Agreement attended by six persons.

Based on the results of interviews with labor union representatives and their members who are workers in each unit, it is known that the labor union holds meetings every month with those accommodated in Bipartite LKS meetings between worker representatives and management representatives and since 2019 until now there has been no labor issue. This is also supported by documents review of worker complaint documents and the absence of complaints submitted to labor union representatives.

6.3.3

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

The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1; 6.4.2; 6.4.3; 6.4.4

CH had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. The Group recognizes that children who are forced to work, or who choose to work, are children who are deprived of their rights to childhood and education and are at risk of endangering their physical, mental and social well-being.

- The Group prohibits the use of child labor in all its operational activities, both independently run and those run by its suppliers;
- The minimum age for employment in the Group is 18 years, with the exception that such work is part of the school curriculum;
- The Group allows workers aged 14-17 years only when approved by the legal authorities and becomes part of the school curriculum, or their participation in a certified vocational orientation or training program
- Contractors, contract workers and volunteers working for the Group are subject to minimum age restrictions;
- The Group will provide access to school, or transportation to school, for employees' children under 18 years of age.

CH also showed recruitment policy No. IDN-HRD-SOP01-01 which stated that in recruitment the minimum age to apply is 18 years old and there was no cost in recruitment process.

Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement. CH also put a warning board which

disallowance the children existence in the work area.		
	Status: Comply	
6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.		
6.5.1 and 6.5.2 CH had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. It stated that sexual harassment is unwanted sexual behavior that violates a person's dignity so that the person feels intimidated, humiliated or humiliated, or creates enmity and environmental unrest. The Group is deeply committed to creating and maintaining a work environment free of sexual harassment. <ul style="list-style-type: none"> • The Group will carefully investigate every case of sexual harassment in its operational activities that are reported to it; • The Group will submit a reasonable sexual harassment case to the appropriate authority for legal action; if proven, his party will take firm action, such as termination of employment against employees who are found guilty of this violation. <p>The Group will protect women's reproductive rights according to the laws of the countries where they work:</p> <ul style="list-style-type: none"> • The Group will provide special dispensation to female workers who suffer from menstrual pain, who are pregnant or breastfeeding in accordance with the rules and regulations of the country where they work; • The Group will provide guidance and education on reproductive health and fertility to workers and their families with the help of professional medical staff; • The Group will not allow pregnant employees to perform high-risk work that threatens the safety of the mother and / or child, such as lifting heavy loads, operating heavy equipment and handling chemicals such as pesticides, herbicides, fertilizers and laboratory chemicals; • The group will assign pregnant employees to suitable temporary jobs; it will not use employees' reproductive rights such as pregnancy, childbirth, miscarriage, breastfeeding and other reproductive conditions, as a reason for demotion or termination of employment. <p>Based on the interviews with workers (harvesters, pesticide applicator, loose fruit picker, and mill operators), disallowance of sexual harassment and violence had been routinely socialized by the management and gender committee, the last socialization related to the sexual harassment and domestic violence. The activity was carried out on March 2021 which was attended by female workers and housing residents.</p> <p>Based on the interviews with the gender committee, the company had given 15-30 minutes for breastfeeding woman.</p>		
6.5.3 Based on interviews with gender committee representatives and field observation, it is known that the certification unit has provided a special place for breastfeeding at child daycare with special time to breastfeed. There is no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times. <p>The certification unit has specifically provided the need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities.</p>		
6.5.4 CH showed the procedure to accommodate complaints and grievance from employees. In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower). CH also provided independent hotline number for any confidentiality grievance and it also listed on stakeholder list. <p>Based on the interviews with workers are known to be aware of the grievance mechanism. Related complaints of sexual harassment (women's issues) can be submitted to the gender committee. In the last year period, that hasn't any complaint related to sexual harassment, violence at work/reproductive rights.</p>		
	Status: Comply	

6.6
No forms of forced or trafficked labour are used.
6.6.1

CH had a Policy concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. The policy stated that the company's policy also covered the responsibility of manpower including modern slavery, provision of a decent wage, affordable housing and food, sexual harassment, equality of opportunity and anti-discrimination, child labor, workers' cooperation, freedom of association, forced labor, and reproductive rights.

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

Based on the interviews with manpower agency, gender committee, labor union, and workers (harvester, pesticide applicator, and process operator) at PGM, PGE, BIE and SNE, it is known that workers have never felt that the company has discriminated and forced the workers to work. There were no significant obstacles related to employment or violations of company regulations. CH provided output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned above the minimum wage.

There were no pressure/forced in doing overtime work, workers who had overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation.

6.6.2

CH still have workers with contract status (PKWT). All the rights for each employment status have been distinguished for workers with contract status (PKWT) and the permanent status (PKWTT). Certification unit also registered the contract worker with to Manpower and Transmigration Agency of Labuhanbatu in each unit, for example in BIE, the company registered the contract worker on 09 September 2021 for 25 workers.

Status: Comply

6.7
The unit of certification ensures that the working environment under its control is safe and without undue risk to health.
6.7.1
OHS committee

The person in charge of OHS in the certification unit is the OHS Committee team as follows:

- **Pangkalan Estate**
In accordance with the Decree of the Head of the Labuhan Batu Regency Manpower and Transmigration Office No.KEP.40 / P2K3 / DTK-4/2017 dated May 22, 2017 concerning OHS Committee ratification in companies. The OHS Committee secretary is a general OHS expert with Decree No. 5/2379/AS.02.04/III/2020 dated 3 March 2020 valid 3 years.
- **Pangkalan Mill :**
In accordance with the Decree of the Head of the Manpower and Transmigration Office of Labuhan batu Regency No.KEP.09 / P2K3 / DSTKT-4/2016 dated 10 February 2016 dated 10 February 2016. The OHS Committee secretary is a general OHS expert with Decree No. 5/2382/AS.02.04/III/2020 dated 3 March 2020 valid 3 years.
- **Bilah Estate**
In accordance with the Decree of the Head of the Social, Manpower and Transmigration Service, Kab. Labuhan Batu No. 134 / P2K3 / DSTKT-4/2014 dated 12 September 2014. The P2K3 secretary is a general OHS expert with Decree number 5/2378/AS.02.04/III/2020 dated 3 March 2020 valid 3 years.
- **Sennah Estate**
In accordance with the Decree of the Head of the Social, Manpower and Transmigration Service, Kab. Labuhan Batu No. KEP.902 / P2K3 / DSTKT-4/2014 dated 3 December 2014. The P2K3 secretary is a general OHS expert with Decree number 5/2381/AS.02.04/III/2020 dated 3 March 2020 valid 3 years.

The management unit has a guiding committee for occupational health and safety organizations and personnel in charge of

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 the OHS program in the field. 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 interview result with Manpower and Transmigration Agency in Kutai Timur Regency revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within the company's operation activity.

The OHS committee holds regular meetings every month to formulate a P2K3 quarterly report that is routinely sent to the relevant agencies. The contents of the discussion include discussing the OHS work program, evaluating if there are work accidents, OHS Inspection, recording routine meetings, the results of periodic health checks, and a list of company employees as a basis for monitoring OHS plans.

The last P2K3 report (2nd quarter 2021) has been reported to the Labor agency, for Pangkatan Estate dated 19 July 2021, Pangkatan Mill 12 August 2021, and Sennah & Bilah Estate 12 July 2021.

6.7.2

The Emergency Response Team has been appointed by the estate manager and mill manager, is as follows; Patron □ Advisor □ Chair of the Task Force □ Deputy Task Force 1 and Deputy Task Force 2 □ Secretary and Deputy Secretary. Next, there is a person in charge of each part as follows:

- Person in charge of preventive matters: Supervises Patrol Team and Early warning detection team
- Person in charge of logistics
- Person in charge of medical affairs
- Responsible for blackout: In charge of 4 core teams; 5 support teams; and 5 support teams
- Person in charge of firefighter equipment affairs
- The person responsible for maintenance and repair of firefighter equipment
- Person in charge of transportation affairs

The company can show the records of first aid training as follows:

- First aid training on 21 June 2021 with number of participants is 21 persons mill and 67-person estate
- Fire extinguisher on 6 February 2021 with number of participants is 43 persons
- Safety training on 7 June 2021 with a number of participants is 36 persons.
- Safety training for local contractor workers on 7 July 2021 with number of participants is 18 persons

Based on field observation to Pangkatan POM, it was found that Hydrant, fire extinguisher, first aid box was properly monitored and maintained. Moreover, the hydrant was satisfactory works during simulation. Based on the field visit, the company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situations. The evacuation path is available in the office and mill and has been completed with a map and other signboards. At the time of the field visits, it is known that the mill, warehouse, workshop, and division offices have supplied First Aid box which is monitored regularly. As for the operational activities in the field, supervisors were carrying first aid kits during his work in the field, and the mill was also equipped with first aid kits. Based on the interview with the supervisor, it is known that he understood the first aid mechanism in case of an emergency.

Based on the results of the field visit at the Mill, the engine room nursery area, and hazardous waste storage is known obtained that there were warnings installed in several areas with high potential risk and were clearly visible and could provide OHS information.

6.7.3

The company has shown documents related to the provision of PPE to workers in each unit. The form of realization is as follows:

- Giving of 8 units of PPE (apron) and faceshield to sprayer at division 1 Sennah Estate
- Giving of PPE was carried out to 79 lose fruit picker workers in division 1A Pangkatan Estate. The type of PPE provided was boots, helmets, and gloves.
- Giving of PPE was carried out to 96 lose fruit picker workers in division 3 Bilah Estate. The type of PPE provided was boots and gloves.

Based on the results of field observations in the hazardous waste storage, fertilizer storage, and the Pesticide Mixing, Washing, and Storage Place of PPE, it is known that the PPE pesticide sprayer has been carried out properly and safely. Pesticide spraying PPE and tools are stored and washed in a special room, and cannot be brought home.

Based on the results of the visit at Pangkatan Mill, it was found that several workers wearing PPE safety shoes were in damaged condition, namely in the sorting area, stew station, tippler station, kernel station and press station.

The company shows PPE monitoring documents for workers at Pangkatan Mill which was carried out on September 11, 2021 at the sorting area, stew station, tippler station, kernel station and press station.

The company shows a purchase order for PPE for safety shoes dated September 18, 2021, a total of 13 pairs for workers in the sorting area, stew station, tippler station, kernel station and press station.

The company shows the approval document for submitting PPE for safety shoes on October 5, 2021, a total of 13 pairs for workers in the sorting area, stew station, tippler station, kernel station and press station.

Until the ASA-1.4 audit process is carried out, PPE has not been able to be delivered to workers in the sorting area, stew station, tippler station, kernel station and press station because they are still waiting for shipments from vendors.

The company has the opportunity to ensure stock availability for replacement of damaged PPE before the routine replacement schedule, in order to ensure workers, use the appropriate Personal Protective Equipment (PPE). OFI

6.7.4

The company provided health services such as clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided for workers are still functioning properly. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it revealed that all workers (contract workers and permanent workers were registered in the BPJS program, proven as follows:

- BPJS (Health Insurance) payments for PGE, PGM, BIE, and SNE, have been completely fulfilled and the last proof of payment is on 10 September 2021 for period of August 2021.
- BPJS (Social Security Insurance) payments for PGE, PGM, BIE, and SNE, have been completely fulfilled and the last proof of payment is on 10 August 2021 for period of August 2021.

Based on the interviews with workers (harvesters, pesticide applicators, nursery workers, and mill operators) and labor's union, they informed that they had the acknowledgement of their involvement in BPJS program and they also held the BPJS card.

In addition, CH also registered the contractor workers in both Health Insurance and Social Security Insurance. Social Security Insurance was also including accident insurance, for example: Social Security Insurance payments for CV Anugrah, have been completely fulfilled and the last proof of payment is on 31 August 2021 for period of August 2021.

6.7.5

The certification unit already has work accident statistics that record the incidence of work accidents as follows:

January – August 2021 period

Total Normal Business Hours: 115,709	Bilah Estate
<ul style="list-style-type: none"> • Total Overtime Hours of Work 67,084 • Number of hours worked people: 194,056 • Number of Employees: 103 people • Work Accidents with Missing Workdays: 0 • Work Accident No Missing Day: 0 • Total Lost Work Days: 0 • FR: 0 • SR: 0 	<ul style="list-style-type: none"> • Total Normal Business Hours: 609,832 • Total Overtime Hours: 34,412.5 • Number of hours worked people: 657,349 • Number of Employees: 518 • Work Accidents with Missing Workdays: 8 • Work Accident No Missing Day: 5 • Total Lost Work Days: 45 • FR: 3.96 • SR: 13.69
Pangkalan Estate	Sennah Estate

- | | |
|--|---|
| <ul style="list-style-type: none"> • Total Normal Business Hours: 534,873 • Total Overtime Hours: 35,373 • Number of hours worked people: 595,812 • Number of Employees: 438 • Work Accidents with Missing Workdays: 10 • Work Accident No Missing Day: 2 • Total Lost Work Days: 39 • FR: 4.03 • SR: 13.09 | <ul style="list-style-type: none"> • Total Normal Business Hours: 34,601 • Total Overtime Hours: 17,706 • Number of hours worked people: 371,191 • Number of Employees: 289 • Work Accidents with Missing Workdays: 12 • Work Accident No Missing Day: 1 • Total Lost Work Days: 91 • FR: 7.00 • SR: 49.03 |
|--|---|

For work accidents that occur, the company has conducted an investigation for incidents that resulted in lost work days. For example, for a work accident on 7 January 2020 Bilah Estate to loosesfruit picker on behalf of HPT. Work accidents are stuck in dumptruck door. First aid is carried out at the clinic. Subsequently referred to the general Hospital.

First aid officers and first aid facilities

The company periodically conducts first aid training for foremen as first aid officers. The resource persons were company medical officers with the qualifications of midwives and nurses. The training records shown were, for example, first aid training for estate foremen and Mill foremen date 21 June 2021.

Based on the OHS Committee report for the 2nd quarter of 2021, it is known that first aid kits have been given to foremen in the form of first aid bags. In addition, first aid kits are also provided at strategic locations, such as Mill office, storage, laboratorium, workshop and engine room.

Status: Comply

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

7.1

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

7.1.1

The company has shown evidences that pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) method. The plan of integrated pest management was arranged in several procedures, such as procedure of detection and early warning system, procedure of integrated pest management procedure of weed management, as well as procedure of pesticide handling. The procedures set the early warning system by monthly detection of potential pest and diseases (leaf eater caterpillar, rats), emphasizing the mechanical and biological control such are by planting of beneficial plants (*Turnera subulata* and *Antigonon leptosus*), as well as installing and monitoring barn owl boxes to suppress rat infestation. The procedure also set the economical threshold for each pest and disease, that the chemical control will be conducted only if the infestation has been exceeding the economical threshold. In the weed management procedure, stated the company's policy to conduct selective weeding, to maintain the biological diversity in order to suppress pest and disease infestation.

The company has shown documentation of monthly potential pest and disease detection of each unit that conducted by trained worker. Based on census summary and maps of infestation of March – May 2021, known that there was no pest and disease infestation exceed the economical threshold, therefore no usage of pesticide to pest and disease control, except for routine weed control. Also sighted the barn owl boxes monitoring records, barn owl boxes maps, that were in good condition and well monitored, as well as indicates the occupation of barn owl.

The company has tried to conduct biological control to reduce pest population diseases, such as planting and maintaining beneficial plants to suppress netter caterpillars, installing barn owl boxes, and monitoring barn owl's boxes to suppress rat pest populations. For example, the company has also installed an active barn owl on Bilah Estate 89 unit, Pangkatan Estate 90 unit and Sennah Estate 61 unit.

The company also implements biological pest management methods such as planting beneficial plants such as turnera sp. that attract natural predators of leaf-eating insects. Plantings of turnera species are planted along most of the estate's main roads. The strategy is the installing of fruit traps and natural predators (*sikanus*) to controlling of moths (moths of fire caterpillar or budworms) related time efficiency and increased safety during installation.

7.1.2; 7.1.3

Documents verifications in Pangkatan Estate, Bilah Estate and Sennah Estate and interview with management as well as field observation in estate it was known there were no species referenced in the global database and CABI.org that used by the unit of certification. Furthermore, based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

Status: Comply

7.2

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

7.2.1

The company can show pesticide use and justification for use for 2020 and 2021.

- Bilah Estate

Trademark	Active Ingredients	Function
Best – Up 480 SC	Isopropyl amina glifosat	Narrow leaf weed control
BM Vesofate 480 SL		
Supremo 480 SL		
Agristick		
Rollup 480 SL		
BM Metron 20 WG	Metil metsufluron	Controlling weeds on plants
Trendy 20 WG		
Erkafuron		
Brantas 25 EC	Lamda sihalotin	Caterpillar control
Capture 50 EC	Sipemetrin	Control of rhinoceros orydes
Cypertop 200 EW		
Decis 25 EC	Deltrametrin	Caterpillar control
Dipel SC	Bacillus thuringiensis	Caterpillar control
Garlon 670 EC	Trikopir butoksi etil ester	Broadleaf weed control
Klerat	Brodifakum	Rat pest control
Rolikum		
Malathon 96 TC	Malathion	Controls mosquitoes
Metafuron 20 WG	Metil metsulfuron	Control broadleaf weeds, narrow leaf weeds
Penalty 50 SC	Fipronil	Myzus persicae aphids' control
Regent 50 SC		
Starane 290 EC	Floroksipir metil heptil ester	Controlling weeds in planting
Agristik	Alkaril poliglikol ester	Helps the pesticide adhere to the leaf surface
Supremo 480 SL	Isopropyl amina glifosat	Broadleaf weed control

- Pangkatan Estate

Trademark	Active Ingredients	Function
Agent 50 SC	Fipronil	Controlling pests on plants
Penalty 50 SC		
Regent 50 SC		
Antracol 70 WP	Proneb	Pest protection on crops
BM Proneb 70 WP		
Proneb 70 WP		

Basta 150 SL	Glufosinat ammonium	Controlling weeds on plants
Becano 500 SC	Indaziplam	Control of weed seeds
Best – Up 480 SC		
BM Vesonate 480 SL	Isopropyl amina glyphosate	Narrow leaf weed control
Supremo 480 SL		
BM Cyperkil 50 SC	Cypemethin	Caterpillar control
BM Delta 28 EC	Deltamethin	Caterpillar control
BM Metron 20 WG		
Metafuron 20 WG	Methyl metsulfuron	Weed control
BM Zebco 80 WP		
Cozeb 80 WP	Mancozeb	Control leaf spot
Brantas 25 EC		
Matador 25 EC	Lamda cyhalothin	Caterpillar control
Bravo 50 EC		
Capture 50 EC	Cypemethin	Thosea asigna caterpillar control
Chepate 75 SP		
Ortran 75 SP	Achepate	Mengendalikan hama ulat grayak
Promax 75 SP		
Decis 25 EC		
Starfos 25 EC	Deltamethin	Control of caterpillars and aphids
Dipel SC	Bacillus thuringensis	Control of asigna setotthosa caterpillar
Garlon 670 EC	Triclopyr butoksi etil ester	Control of broadleaf weeds
Klerat		
Ratgone 0,005 BB	Brodifakum	Rat pest control
Xilaw 007 BB		
Marshal 5 GR		
Malathon 96 TC	Malathion	Controlling pests on plants
Starane 290 EC	Fluroxypyr metil heptil ester	Controlling weeds in planting
Thuricide HP	Bacillus thuringensis	Caterpillar control
Trendy 20 WG	Methyl metsulfuron	Broadleaf and narrow leaf weed control

• Sennah Estate

Trademark	Active Ingredients	Function
Antracol 70 WP	Propineb	Pest protection on crops
Basta 150 SL	Glufosinat ammonium	Controlling weeds on plants
Becano 500 SC	Indaziplam	Control of weed seeds
BM Delta 28 EC	Deltamethin	Caterpillar control
BM Sucthicon 400 EC	Dimethoate	Pest control
Capture 50 EC		
Cyperin 250 EC	Cypermethrin	Caterpillar control
Cypertop 865 SL		
Chepate 75 SP	Achepate	Thosea asigna caterpillar control
Cozeb 80 WP	Mancozeb	Control leaf spot
Dipel SC	Bacillus thuringiensis	Caterpillar control
Garlon 670 EC	Triclopyr butoksi etil ester	Control of broadleaf weeds
Klerat		
Rolikum 0,005 BB	Brodifakum	Rat pest control
Matador 25 EC	Lamda cyhalothin	Caterpillar control
Megathion	Carbosulfan	Caterpillar control
Starane 290 EC	Fluroxypyr metil heptil ester	Controlling weeds in planting

Thuricide HP	Bacillus thuringensis	Caterpillar control
Erkafuron 20 WG	Methyl metsulfuron	Broadleaf and narrow leaf weed control
Roll Up 480 SL	Isopropyl amina glyphosate	Narrow leaf weed control
Abolisi 865 SL	2,4-D Detil Amina	Control broadleaf, narrow and cone weeds
Agrestik	Alkaril poliglolikol ester	Helps the pesticide adhere to the leaf surface

7.2.2

The routine pesticides application was for weed control in circle and path every four months if necessary. The usage documentation was in documents of Pesticide Toxicity for each Estate, that record products name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, hectare application and active ingredients per ha application. For instance, in period of 2021, for Isopropilamina Glifosat toxicity amount of 0.089 Ltr /ha and Fluroksipir metil heptil ester 286 g/L toxicity amount of 0.004 Ltr/Ha

7.2.3, 7.2.4 and 7.2.9

In line with the explanation of Criteria 7.1 that IPM has been carried out quite effectively, therefore there was no chemical use for pest control, except for routine weed control. The unit of certification does not use pesticides prophylactically. If the conditions of the circle and harvesting path are still quite standard, the weed control will be postponed. Based on the observation on spraying activities, the application method is not a preventive application, but rather selective for locations that have weeds. Circle and path spraying is conducted by the unit of certification three times a year using the selective pesticide. Field observation in Block A 11 Bilah Estate it's known if the workers already know the method of selective spraying for instance only spray the circle or path that there is a weed and if there are no weeds are not be spraying, furthermore Based on document review, field observation, as well as stakeholder consultation, knowing that the company did not apply pesticides from the air.

7.2.5

The company used the chemicals that were registered and allowed by the Government as www.pesticide.id. Based on documents verifications, field visits to pesticide storage and interview with management and pesticide applicator obtained information if the company didn't use the pesticide that prohibited by the government as mentioned in Annex II Regulation of Ministry of Agriculture No 39 the year of 2015 about Pesticide Registration. Based on the list of pesticides used by the 2020 - 2021 the company there are no pesticides listed in the Class 1A or 1B World Health Organization (WHO) list or included in the Stockholm or Rotterdam Conventions, and paraquat.

7.2.6

Based on field observation, interview with workers in Block A 11 Bilah Estate and Block B5 Pangkatan Estate as well as interview with management, the unit of certification can be presented that pesticide application carried out by trained persons and in accordance with applicable guidelines in product label and storage, as evidenced with:

- The workers equipped with PPE like shoes, helmets that equipped with face-protection glass, apron, shirts and trousers, masks and nitrile gloves. The type of PPE has been in accordance with the recommendation of MSDS for Glyphosate and methyl metsulfuron.
- The workers were able to explain and demonstrate the job in accordance with the procedure, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area and riparian zone)
- Pesticide solutions are mixed in pesticide warehouses and transported by special vehicles for safety aspect and to reduce environmental pollution.
- related the food that brought to the field, the management unit has been provided a special box to minimize risk of negative impacts
- The spraying activity conducted in selective manner by knapsack sprayer that the nozzle regularly calibrated. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate.

7.2.7

The storage of all pesticide has been in accordance with Indonesian recognized best practices, that was stipulated in Labor Minister

Regulation No. 3 of 1986 regarding OHS requirements in pesticides management. Based on field observation in pesticide storage in Pangkatan Estate, Bilah Estate and Sennah Estate it was known the pesticide has been stored properly in accordance with the procedure. Pesticides are stored in a special place separate from others and placed in accordance with the characteristics. chemical storage has been equipped with signboards and hazardous symbols for the chemical by category, complete series Material Safety Data Sheet, chemical logbook, emergency response manual, first aid kit and personal protective equipment for storage office.

7.2.8

The certification unit has SOPs for pesticide management, namely SOPs for Weed, Pest, and Disease Control Number AGR-SOP07-01 and SOPs for Hazardous and Toxic Waste Management Number PI/SOP/K3-11 dated 2 May 2011. Broadly speaking, the procedure explains that all used packaging Pesticide that is empty must be controlled and managed properly in circulation and must not be used for employee needs, such as for water containers, food containers, and others. Used pesticide packages that are not reused must be immediately perforated at the bottom and sent to the Hazardous and Toxic Waste Warehouse.

The company shows evidence that each pesticide package has been stored and is not used for other purposes, such as documents for managing hazardous and toxic waste for the period 2021. The document explains the number of used pesticide packages that leave the central warehouse and enter (after field application) into the warehouse. Hazardous and toxic waste warehouse. Pesticide packages that go out and go in are recorded based on each type of pesticide from each estate.

Based on the results of field observations at the Hazardous and Toxic Waste Warehouses in each estate, it is known that the used pesticide packaging from the estate is directly stored in the Hazardous Waste Warehouse. All transactions in and out of used pesticide packages are recorded in the logbook with the actual amount. Based on the results of field observations, it was also known that there was no used pesticide packaging used for other purposes, such as trash cans, ornamental plant pots, water containers and so on.

7.2.10

Periodic Medical Checkup

The company has programmed regular health checks for estate workers especially pesticide sprayers. In the OHS plan matrix, it states that regular health checks for pesticide sprayers include MCU, Spirometry once a year, and CHE checks one a year. Medical check-up is carried out regularly with 2 systems, namely internal and external health checks. External health checks are carried out once a year by Anugrah Ibu Clinical Laboratory and for 2020 it has not been implemented as stated in the circular letter of the Minister of Manpower of the Republic of Indonesia Number M / 7 / AS.02.02 / V / 2020 dated May 20, 2020 concerning Business Continuity Plans in Facing the Corona Virus Disease Pandemic 2019 (Covid 19) and the Covid-19 Transmission Prevention Protocol in Companies, employee health examination activities are one type of activity that is temporarily postponed until the Covid-19 pandemic ends. On audit ASA 1.4, the company shows the Medical Check Up implementation plan document described in the OSH Department memorandum dated September 14, 2021 (number. 003/OSH-EI/IX/2020) to all workers who work in high-risk work areas, for example pesticide sprayers workers. Medical Check Up is planned to be held on September 25, 2021. There is also evidence of an email from the OSH department to the manager Estate and Mill regarding the approval of the Medical Check-Up collaboration that will be carried out by an external clinic on October 25, 2021. Meanwhile, the auditor has also verified the results of the internal Medical Check-Up for the period January to August 2021 for workers who work in high-risk work areas every month, and it is concluded that the workers are in good health and fit to work.

For example, from the results of document verification before the MCU which was carried out on May 2, 2019 to 54 pesticide sprayers workers at the Bilah Estate, a special health examination was carried out on the pesticide spray workers, transferred to work namely manual maintenance. Meanwhile, pesticide spray workers in other estates are in good health and fit to work. The auditor has also verified the results of the internal Medical Check-Up to pesticide spray workers for the period January to August 2021 for pesticide spray every month, and it is concluded that the workers are in good health and fit to work.

7.2.11

Based on the results of the study of the list of pesticide spray workers, field visits and interviews of pesticide spray workers, information was obtained that all pesticide spray workers in Pangkatan Estate, Bilah Estate and Sennah Estate were male, age 18+ and no disease-specific. They store their food and drinks in a special place that is protected from exposure to chemicals is managed by a foreman.

Status: Comply

7.3

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

7.3.1

The company has identified the waste and its sources of pollution and prepared a waste and pollution management plan in 2021. The identification is grouped by waste name, waste code, solid or liquid type, waste characteristics, storage volume, and storage purpose. Determination of the waste code based on PP number 101 of 2014 and stored in a hazardous and toxic waste warehouse that has a permit. The company already has a Hazardous Waste Temporary Storage Permit issued by the Regent/Mayor located in each estate with the following information:

- **PT Pangkatan Indonesia (Pangkalan Estate)**
Permit Based on the Decree of the Head of the Office of Investment and One-Stop Integrated Services, Labuhan Batu Regency Number. 503.660.31/205/DPMTSP-BP2MNP/2020 concerning the Granting of Permits for the Management of Hazardous and Toxic Waste for Temporary Storage of Hazardous and Toxic Waste to PT Pangkatan Indonesia, Perkebunan Pangkatan Village, Labuanbatu Regency on 7 September 2020 valid for 5 years.
- **PT Bilah Plantindo (Bilah Estate)**
Permit Based on the Decree of the Head of the Office of Investment and One-Stop Integrated Services, Labuhan Batu Regency Number. 503.660.31/204/DPMTSP-BP2MNP/2020 concerning the Granting of Permits for the Management of Hazardous and Toxic Waste for Temporary Storage of Hazardous and Toxic Materials to PT Bilah Plantido, Perkebunan Bilah Village, Labuanbatu Regency on 7 September 2020 valid for 5 years
- **PT Sembada Sennah Maju (Sennah Estate)**
Permit Based on the Decree of the Head of the Office of Investment and One-Stop Integrated Services, Labuhan Batu Regency Number. 503.660.31/137/DPMTSP-BP2MNP/2021 concerning the Granting of a Hazardous and Toxic Waste Management Permit for Temporary Storage of Hazardous and Toxic Waste to PT Sembada Sennah Maju, Perkebunan Sennah Village, Labuanbatu Regency dated February 10, 2021, valid for 5 years

The certification unit also has procedures for managing waste generated by the company, including:

- SOP number PI/SOP/K3-11 regarding Hazardous waste management dated 2 May 2011. The SOP explains the types of Hazardous Waste, characteristics of Hazardous Waste, Hazardous Waste control in chemical packaging (washed 3 times and sent to the Hazardous Waste Warehouse, recording Hazardous Waste generated, PPE used by officers, 90-day storage period, and collection and transportation by licensed collectors.
- SOP number SOP/4.1/13 regarding the management of empty fruit bunches, EFB was transported to composting on 15 July 2011.
- SOP number SOP/4.1/15 regarding boiler ash management dated July 15, 2011.
- The waste source identification document describes the management and utilization of empty fruit bunches for composting, fiber for boiler fuel, boiler ash removed, shells sold and effluent used to flow into the field and composting.
- SOP number PI/SOP/General-32 concerning control and handling of air pollution from immovable sources which explains the implementation of management, namely by setting monitoring location points in accordance with the directions of environmental documents, setting a monitoring schedule, sampling, and reporting together with the RKL report. /RPL per quarter
- As well as Work Instructions related to each waste management and technical in the delivery of Hazardous Waste from the transit warehouse to the main warehouse.

Regarding Hazardous and Toxic Waste Management, the company cooperates with licensed transporters, collectors and processors. The cooperation agreement is made for each estate, the results of the verification of the cooperation agreement document, the entire estate cooperates with the carrier and the same processing party. All parties already have valid official permits for hazardous and toxic waste management. For example, PT Pangkatan Indonesia cooperates with several parties as follows:

- Cooperation Agreement Number 035/PI-WGA-FBS/02/SPKLB3/2021 dated June 3, 2021 and is valid until June 2, 2022. The agreement was made between three parties, namely PT Pangkatan Indonesia as the waste producer, PT Wira Gemilang Anugrah as the waste transporter, and PT Fadillah Barokah Sumut as the waste collector.
- Cooperation Agreement Number 035/PI-WGA-WI/SPKLB3/2019 dated October 4, 2019 and is valid until October 3, 2021. The agreement was made between three parties, namely PT Pangkatan Indonesia as the waste producer, PT Wira Gemilang Anugrah as the waste carrier, and PT Wastec International as a waste treatment party.

- Cooperation Agreement Number 031/WGA-PI/02/SPKLB3/2021 dated October 4, 2021 and is valid until October 3, 2022. The agreement was made between two parties, namely PT Pangkatan Indonesia as the waste producer, and PT Wira Gemilang Anugrah as the waste carrier. As for the third party that will follow this agreement, namely PT Wastec International as the waste treatment party, it is still in the stage of waiting for the agreement to be signed because the previous agreement only ended on October 3, 2021 which coincided with the ASA 1-4 audit period.

Companies can also show documents for storing and handling hazardous and toxic wastes in accordance with SOPs for storing and handling waste and Government Regulation No. 101 of 2014. These documents include balance sheets, logbooks and manifests of hazardous and toxic wastes. Based on the results of the document review by comparing the balance sheet and logbook, it can be seen that the delivery of waste to the waste warehouse from August to October 2021 is appropriate and there is no difference in the amount submitted. Similarly, a comparison between the balance sheet and Festronic waste transportation carried out on September 30, 2021 shows that the balance document states the amount of waste in the month after transportation (October 2021) starting from empty. Thus, it can be concluded that there are no recording errors and differences based on the Balance Sheet, Logbook and Festronic documents. This shows that the company has properly documented the storage and handling of Waste.

Waste transportation is carried out simultaneously for all waste warehouses in each estate. The results of interviews with companies and officers responsible for hazardous waste warehouse management stated that the normal schedule for transportation is every 6 months, but if the warehouse conditions are too full, then transportation can be carried out immediately without having to wait for the schedule. This is also evidenced by the previous transport manifest document which was carried out in June 2021, which was only three months after the last transport was carried out. This is considered quite good, considering the size of the hazardous waste warehouse which is not too large so that the intensity of transportation can adjust to conditions.

However, based on the results of field visits related to hazardous and toxic waste management, information was obtained that there were used paint cans and used oil drums stored in the scrap metal storage area which is in front of the transit hazardous waste warehouse in the factory area. Based on the documents resulting from the identification of Hazardous waste sources, the used paint cans and drums are Hazardous waste. The results of the interview with the company stated that the Hazardous Waste belongs to the contractor which has not been managed by the contractor concerned. The company also explained that it cannot transport the Hazardous Waste because it is not waste originating from company activities.

This is an improvement opportunity for the company to ensure that all Hazardous waste within the scope of the company's management area can be stored in a special storage location for Hazardous waste, as well as ensuring that all parties who work with the company understand the Hazardous Waste management applicable in the company's area. (OFI).

7.3.2

Based on interviews with company management and the Head of the Hazardous and Toxic Waste Warehouse at the sampling location, it is known that they have an understanding of the handling of waste disposal, especially hazardous waste and domestic waste and the management of hazardous waste in accordance with the procedures owned by the management unit. In addition, respondents also stated that these regulations are strictly enforced and there are sanctions for those who violate them. All waste disposal facilities have also been provided by the company such as organic, non-organic and hazardous waste bins and landfills. The respondent's understanding of waste management is the result of routine and consistent socialization and training as evidenced by the minutes that have been carried out on January 6, 2021 to all staff and employees of Pangkatan Estate and Mill with photo evidence and attendance list.

Regarding the transportation of hazardous and toxic waste, the company cooperates with the official waste collection contractor, namely PT Wira Gemilang Anugrah (PT WGA). The company can show the cooperation agreement and licensing requirements that have been owned by PT WGA as a waste carrier. The company has and can show documents for storing and handling Hazardous and Toxic Waste in accordance with SOPs for storing and handling waste and Government Regulation Number 101 of 2014. These documents include balance sheets, logbooks and Hazardous and Toxic waste manifests. Transportation of non-hazardous waste from employee housing or emplacement area is carried out every 2-3 times a week using a dump truck and immediately disposed of to the Landfill and will then be stockpiled when the landfill is full.

Based on the results of the visit to the hazardous waste warehouse, information was obtained that the last transportation was carried

out on September 30, 2021, so that the condition of the warehouse during the visit was relatively empty. In addition, the landfill visit also shows that there are landfills that are full and have been stockpiled. For the new landfill, it is not in full condition and there are also no traces of waste burning activities at that location. Landfill is divided into two, namely for the type of organic waste and non-organic waste. The company has also made efforts to improve domestic and organic waste management efforts by dividing the trash into 3 types, namely organic, inorganic and B3 waste and glass. Socialization related to the use of the trash can has also been carried out and based on the results of interviews in the housing area, the resource person can explain the use of each of the trash bins. For organic waste produced by plants, special treatment is given, namely by storing it around the tree with the aim of composting/mulching. this has become evidence of improvement from OFI results on surveillance 1-2.

The results of interviews with workers and communities living in the company's area (Perkebunan Pangkatan Village, Perkebunan Bilah Village and Perkebunan Sennah Village) also stated that the waste management carried out by the company was very good and regular. Trash cans are provided properly and are replaced if damaged. Regulations related to waste disposal are also strictly enforced and there are sanctions for violators. Resource persons understand very well how to separate the types of waste they produce. In addition, the company is also committed to reducing plastic waste from bottled drinking water and that is also applied in all areas of the company, including housing for the community and employees. Field visits also showed that the housing conditions were very clean and there was no scattered garbage.

7.3.3

The company does not carry out open burning for waste culling, this can be proven from a field visit to the Landfill where there are no encounters of incinerated waste. The results of interviews by mill and estate employees also stated that there was no burning of rubbish, because they were aware of the prohibition on burning activities and the sanctions they would receive if burning incidents. Organic waste from housing is managed by burial, while inorganic trash is disposed of in the space provided, then transported every 2-3 times a week and dumped into Landfill and then buried when the Landfill is full.

The results of field observations in the employee and communities housing inside company area also showed that there were no traces of burning activities, besides that there were also many warnings to prohibit waste burning activities as well as the dangers that could arise from burning activities. Interviews with employees who live in the housing estate also stated that they had never burned waste due to sanctions.

Status: Comply

7.4

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

7.4.1

The company has Procedure Practices maintain soil fertility at, or where possible improve soil fertility to described in several document, i.e:

- Fertilization Work Instruction No.IDN-AGR-SOP09-01 which was last revised on March 3, 2020.
- Fertilization Nursing Management Procedure (Document No. AGR-SOP01-01).
- Oil palm cultivation manual book PT. Evans Indonesia

Those procedures set a bunch of strategies to maintain and improve long-term fertility, by combining efficient and measurable in-organic fertilization, take into account the oil palm age and soil nutrient properties by conducting leaf and soil sampling. The efficient and no excessive in-organic fertilization are critical to maintaining soil structure and texture, combined with manuring by POME land application and EFB mulching application. The manuring was conducted especially inland with low nutrient properties, to improve soil structure and texture, microbiological properties, as well as to minimize in-organic fertilization if possible. There is a replanting activity procedure set that the biomass in replanting will have returned to the soil for nutrient cycling strategy.

7.4.2

The management unit has routinely been conducting soil and leaf analysis periodically conducted as follows (1) (Soil Analysis, which is done regularly every year measuring the following parameters; texture, acidity (pH), contents of C, N, P, K, Mg, Ca, Na, BS, CEC, Al and H. (2) Leaf Analysis, which is done every year as a guide to determine the fertilizing recommendation, by monitoring the following parameters; Indicator Major elements namely N, P, K, Mg and Ca and Indicator Minor elements namely B, Cu, Zn and F and (3) Visual Analysis, which is done as part of the points in determining the fertilizing recommendation, identifying nutrient deficiency

symptoms, and analyzing the disease attacks that are potential in becoming an endemic of a certain disease. The last soil analysis was conducted on 12 October 2020 and the leaf analysis was conducted on 4 June 2020 for fertilizer recommendation in 2021, both analyses were carried out by PT Nusa Pusaka Kencana Analytical & QC Laboratory

7.4.3 & 7.4.4

Nutrient recycling strategy as a part of increasing soil fertility has been conducted, such as EFB mulching application and POME land application. Based on document verification POME application 2021 that such activity has been correctly done in accordance with the provided recommendation with a dosage of 750 M3/Ha in three rotation (250 tones/ha/rotation) has been implemented 2 rotations. Meanwhile EFB composting with dosage 100 kg / tree.

Records of fertilization have been shown in the document of records fertilizer progress of 2021, which includes the program and realization of fertilization. Based on document review in each Estate, it shows that the manuring activity (time, location, dose, and amount) has been in accordance with the recommendation. The anorganic fertilizer used by the unit of certification is MOP for period 2021 with 1070.89 ton. Overall, the unit of certification has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited.

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1

The company can show a land type map of each estate which can be detailed as follows:

- Bilah Estate with document No. BIE-AGR-SOILMAP01-01 scale 1: 50,000. Soil types in the Estate Bar are: Sulfic Endoaquepts, Typic Endoaquepts, Histic Endoaquepts, Sapric Haplohemist. With a land area of 3,049 hectares
- Pangkatan Estate with document No. PGE-AGR-SOILMAP01-01 scale 1: 35,000 soil types contained in Pangkat Estate are: Typic Endoaquepts, Histic Endoaquepts, Typic Dystrudepts, Typic Kandudults, Typic Kanhapudults. With a land area of 2,626 hectares
- Sennah Estate with document No. SNE-AGR-SOILMAP01-01 scale 1: 45,000 soil types contained in Sennah Estate are: Sulfic Endoaquepts, Typic Endoaquepts, Aquic Eutrudepts, Typic Eutrudepts. With a land area of 1,811 hectares

In addition, the company can also show a plantation slope map which can be detailed as follows:

- Bilah Estate Slope Map

Class	Slope (Degree)	Hectare	Percentage
Flat	0 – 2	2,960.66	97.09
Undulating	2 – 6	88.64	2.91
Total	3,049.30	100	

- Pangkatan Estate Slope Map

Class	Slope (Degree)	Hectare	Percentage
Flat	0 – 2	956.93	36.44
Undulating	2 – 6	1,587.35	60.45
Rolling	6 – 10	80.49	3.06
Hilly	10 – 20	1.40	0.05
Total	2,626.17	100	

- Sennah Estate Slope Map

Class	Slope (Degree)	Hectare	Percentage
Flat	0 – 2	1,479.22	81.70
Undulating	2 – 6	331.31	18.30
Total	1,810.53	100	

7.5.2 & 7.5.3

Based on field observation in Pangkatan Estate, Bilah Estate and Sennah Estate, it is known that the area is relatively flat and there

is no contour terrace, but individual terrace in certain area. Management of certain slopes include the EFB application found, front stacking using U shape system, and selective weeding in interrow. The oil palm in operational area were first cycle Pangkatan Estate and Bilah Estate, no new planting, only replanting activity on Bilah estate.

Status: Comply

7.6

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

7.6.1

The is no new planting and/or new development area int the unit of certification. However, the existing oil palm has been developed considering the soil survey and mapping.

7.6.2 and 7.6.3

The specific best practices to maintain and improve the limitation, especially in marginal suitable soil has been observed by implementing EFB mulching application dose 100 kg/tree, to improve soil nutrition. For undulating or hilly area, the company implementing individual terrace/platform

The existence of soil map containing information on soil classification, texture, drainage, limiting factors, rocks, and suitability information for the development of oil palm plantation has helped the company used by the company to arrange the block, roads, drainage, bridge, etc. The company also has a Road Maintenance Program equipped with the proper infrastructure and facilities to do such work. According to the result of field visit, the roads are in good condition and the FFB harvested are smoothly transported to the mill. The oil palm in operational area were first cycle Pangkatan Estate and Sennah Estate, no new planting, only replanting activity on Bilah estate.

Status: Comply

7.7

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

7.7.1 & 7.7.2

Based on the Peat Inventory document, PT Pangkatan Indonesia subsidiary of MP Evans Group PLC has peatland located on the Bilah Estate covering an area of 821.66 hectares and it was reported to the last RSPO on 18 September 2020. However, at the time of the audit, there was no new planting on peat since 2018.

7.7.3 & 7.7.4

The certification unit has implemented a water level and water level reduction in peatlands to prevent carbon emissions from peatlands. The company shows the Monitoring Piezometer, Water Level Monitoring and Peat Subsidence Monitoring documents, as mentioned in the following table:

No	Location	Measurement Date	Condition	Measurement results	information
1	Divisi III Blok D 11	21 September 2021	Good	0.2	There was a decrease
2	Divisi III Blok B 06			0.1	
3	Divisi III Blok B 10			0.2	

7.7.5

Based on the results of interviews with management and review of documents regarding the replanting plan, there will be no replanting activities on peatlands for the next 5 years. Based on the results of interviews with management, it was also stated that peatlands only exist in Sennah Estate with an area of 821.66 hectares and based on the document the replanting program for Sennah Estate will only be carried out in 2028.

7.7.6

The company has a procedure or work instruction for planting on peat in the Peatland Management Procedure Document (AGR-SOP16-01 date 1 October 2019). However, in this procedure there is no guideline for installing / placing a subsidence stake as a measuring tool for peat soil subsidence which refers to the guideline "RSPO Peatland Working Group meeting on 13-14 September 2018 to clarify potential audit guidance for Criteria 7.7 (as adopted by GA)". Where, the company must have 1 subsidence marker in every 240 ha of peat area. For peat areas with more than 5000 ha, the number of stakes can be deducted from this requirement if

the company has justification. Based on field observation known the company have 3 subsidence markers on Bilah Estate (peat area is 821.66 hectares), meanwhile the piezometer is 46 unit, for example measuring on September 2021 on blok A8 Bilah Estate measured the ground water level at ± 4.3 cm Piezometer. The results of field observations known the company have Piezometer, measurements were taken every month.

7.7.7

Based on the results of document verification, information is obtained that the peat area is located in the Bilah estate which is a planted area, based on the document identification of the HCV area there is no peat area classified as HCV peat conservation, hcv figure only riparian and cemetery.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Based on the RKL-RPL document, the results of the identification of high conservation value areas for HCV 2011, as well as maps of river flows and water sources that have been mapped at a scale of 1:21,000, it can be seen that there is only 1 point of river flow within Pangkatan POM Certification Unit area, namely the Kundur River. which is in the Pangkatan Estate. Meanwhile, the Bilah Estate and Sennah Estate are not crossed by rivers in their management areas. Based on the RKL-RPL document, it is also known that the management plan for water sources is to test the quality of surface water and monitoring wells every 6 months. The water quality test follows the recommendations from the UKL-UPL study results, including the following:

- PT Pangkatan Indonesia was conducted at 2 sampling points, namely the Upper and Lower Kundur Rivers.
- PT Bilah Plantindo conducted at 2 sampling points, namely the Upper and Lower Kalundang Rivers.
- PT Sembada Sennah Maju was conducted at 2 sampling points, namely the Upper and Lower Bilah Rivers.

All tests are carried out by a KAN accredited laboratory (LP-389-IDN). Regarding this, the company shows the results of surface water quality testing for all identified water sources contained in all RKL - RPL reports for the first semester of 2021 and has been reported to the Labuhanbatu Regency environmental office on July 28, 2021.

The unit of certification also does not limit access to clean water, and workers also have adequate access to clean water. Based on the results of field observations in the housing area of workers and the community as well as interviews with fertilizer workers, spraying workers, and harvest workers, information was obtained that clean water facilities for housing were obtained from drilled wells provided by the company. For drinking water, the company also provides alternative drinking water that can be directly consumed in the form of water from bore wells but has gone through a very good and controlled filtering process at the Reverse Osmose (RO) filtration installation. The unit of certification has consistently had a water management plan for mills and plantations that is stated in the Environmental Management and Monitoring document as well as riverbank management programs and other water sources. Testing for drinking water is also carried out by the company to see the quality and quantity of ground water taken from monitoring wells and drilled wells. The guidelines used in measuring and testing the quality of drinking water use the Regulation of the Minister of Health Number 416 of 1990, concerning the Quality Standards for Groundwater Quality and it can be seen that all parameters are below the standard quality standards. The company also conducts water quality testing on Reverse Osmose (RO) which is a drinking water provider using quality standards based on the Regulation of the Minister of Health Number 43 of 2014 concerning Hygiene Sanitation of Drinking Water Depots carried out by the Labuhanbatu District Health Office.

The realization of water quality improvements that have been carried out by the company include:

- Maintain a hygienic environment around water sources so that sources of pollutants can be minimized.
- Create a program to improve water quality gradually with the provisions of the applicable laws.
- Report the results of the examination in accordance with the provisions of the applicable laws.
- Testing the quality of river water and boreholes conducted every 6 months, to ensure that there is no pollutant load and that the quality of drinking water is fit for consumption.
- Management of erosion and surface water runoff, water management in low-lying areas and monitoring of surface water quality as stated in the implementation of the semester RKL-RPL.
- Management of riverbanks and water sources in the form of drilled wells.

- Waste water management using WWTP and utilizing it in licensed application areas as well as monitoring the quality of wastewater and monitoring wells.
- Monitoring the use of water for palm oil processing and evaluating its use.

7.8.2

In an effort to manage water, the company already has an SOP on river riparian management Number PI/SOP/General-15 dated May 2, 2011. The procedure explains several things, including:

- Identify buffer or riparian areas
- The buffer area is returned to its condition like a forest area, but must first obtain the approval of the GM/SM and the President Director.
- For oil palm trees marked with an "X", fertilization and other treatments are not required, saplings and shrubs are allowed to grow naturally. related to OFI on surveillance 1-2, the company has made improvements by repainting and monitoring it to ensure that the boundary markings can still be seen properly.
- The area is given to grow as an effort to replant/restore forest and be used as a buffer area between the river and the oil palm plantation area.
- To rehabilitate the area, forest trees can be carried out.
- This rehabilitation program is a conservation effort and must be socialized to all employees, contractors and the surrounding community.

The company also has a SOP for the Use of Paraquat and Glyphosate Number PI/SOP/General-16 dated May 2, 2011 which explains the prohibition on spraying in water sources such as ditches, rivers and others. Regarding the management of surface water or rivers, the reference used for testing surface water quality is Government Regulation No. 82 of 2001. Water quality testing is carried out by a KAN accredited Laboratory (LP-389-IDN). Several parameters used to determine water quality include: DO (Dissolved Oxygen), BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand). Based on all test results in the Upper and Lower rivers in all sample areas, it shows that the results of the river water quality inspection are not above the quality standard when using Class 2 Water Quality Classification Requirements except COD on the Bilah Estate. This is because the condition of the river located in the area of the Bilah Estate cannot be used by the community for consumption and daily needs due to the condition of the river that is affected by peat water in the Kalundang river watershed, as explained in the initial baseline environmental document, so that operational activities do not increase the pollution burden of the river. This is also evidenced by the COD value which is in the upstream of the river already at 29.76 and decrease at the downstream of the river, which is 26.47. This shows that the pollutant burden does not come from the company's operational activities.

The company has also made efforts to manage surface water quality, among others:

- Conduct socialization and training to all employees, especially spray employees not to spray in river border areas to avoid washing chemical particles into the river when it rains. Based on interviews with spray workers, it is known that they have understood the prohibition against spraying up to river bodies and HCV areas
- The company has marked the boundary of the spray area in the river border area, based on field observations to the secondary river border and the tributary of the Bilah river, it can be seen that there is no indication of spraying to the river body.
- The company has carried out reforestation and enrichment of river border areas with woody and erosion-preventing plants as well as local fruit trees.
- The company has tested the quality of river water regularly every semester in collaboration with an accredited laboratory, the test results are reported to the relevant agencies along with reporting the RKL/RPL.

7.8.3

The management of POME from the processing of Pangkatan Mill with a capacity of 40 Ton FFB/hour is carried out in the WWTP pond. Before being channeled to the Land Application (LA), all liquid waste is put into the WWTP which is then processed to reduce pollutant elements so that it is suitable for application to land. The certification unit has 3-unit WWTP ponds with a total capacity of 62,400 m³. Mill liquid waste is managed according to the applicable national regulations, namely KepmenLH No. 28 & 29 of 2003 regarding Technical Guidelines for the Assessment of Wastewater Utilization from Palm Oil Plantations for Land Application. Based on document review and field observations to the WWTP location, it shows that the company treats liquid waste using a single-feeding system that is pumped from the cooling pond to pond 3. For pumping liquid waste to be flowed to LA and liquid waste sampling for testing is carried out in the pond. collecting pond (outlet). Currently, pool 1 functions as a reserve waste collection pond if pool 3 is no longer able to accommodate waste.

The flow of POME management is to drain all POME originating from the cooling pond to pond 3 and the inoculum pond. The inoculum pond is channeled into pond 3 if pond 3 lacks POME-processing bacteria. From pond 3, POME is channeled to the collecting pond. POME in the collecting pond is channeled to 2 locations, namely to the Land application and to the composting area which consists of 10 blocks. POME produced from the composting area is then pumped back to the collecting pond so that no POME is wasted into rivers or the environment.

The company does not discharge liquid waste into water bodies, but uses wastewater to be channeled to Land Applications. The company also complied with legal requirements with has a liquid waste utilization permit for LA based on the Decree of the Labuhanbatu Regent Number 503.660/153/DMPTSP-BP2MNP/2020 dated July 2, 2020, valid for 5 years regarding the Permit for Utilization of Palm Oil Industrial Wastewater on Soil in Palm Oil Plantations.

The company can show documents regarding the results of measuring the quality of liquid waste in the form of test results documents as well as Quarterly 2 and 3 Liquid Waste Reports in which there are results of measuring the quality of liquid waste every month. Based on the results of the analysis of monitoring the quality of the processed wastewater that will be applied to the land, the pH value is always within the specified quality standard range, as well as the BOD concentration value and oil and fat are still below the required quality standard value. The test is carried out by a laboratory that has been accredited by KAN (LP-389-IDN) using quality standards according to the Ministry of Environment Decree No. 29 of 2003. The results of the tests for the period of Quarter 2 and 3 of 2021 which have been carried out at the outlet (Collecting Pond) are as follows:

Parameter	Quality Standard	Test Result				
		April	May	June	July	August
PH	6 - 9	7.94	7.84	7.86	8.92	7.12
BOD	5000	3,580	3,480	3,860	3,320	3,480
COD	-	6,751.49	6,205.44	6,936.29	6,285.3	6,152.96
Oil & Grease	-	24	26	25	24	26
Pb	-	<0.05	<0.05	<0.05	<0.05	<0.05
Cu	-	0.6	0.21	0.29	0.24	0.2
Cd	-	0.05	0.09	0.07	<0.002	0.05
Zn	-	0.96	1.16	1.14	1.06	1.3

**Quality standards are based on the Regulation of the Minister of Environment Number 29 of 2003*

Based on the data above, it can be seen that all the results of the liquid waste testing carried out in the 2nd and 3rd quarters of 2021 have met the required quality standards so that they are in a proper condition to be transferred to the Land Application, it means the company also has complied with legal requirements. The company has also carried out testing for monitoring wells at 4 locations. The test is carried out by a KAN accredited laboratory (LP-389-KAN) with the quality standard of the Minister of Environment Decree No. 29 of 2003 and the Minister of Health of the Republic of Indonesia No. 416 of 1990. Based on the test data, information can be obtained that there is no value that exceeds the applicable quality standard. There are also no test results for drinking water that pass the applicable quality standards based on Permenkes Number 43 of 2014.

Based on the results of field visits to WWTP and LA also showed that there was no pollution to the environment such as leaks or flooding, so that the implementation of LA in Pangkatan Estate did not cause a significant negative impact on the surrounding environment. Based on the results of interviews with WWTP officers also stated that every liquid waste that flows into LA is always recorded, the flowmeter used is functioning properly and there has never been a leak or flood in the WWTP area. Currently, the POME that is flowed comes entirely from collecting pond so that the test data shown can be used as a reference in the application of POME.

7.8.4

The company can also show documents resulting from the recapitulation of water use for palm oil processing units for the period January - August 2021 along with proof of tax payments. From the document, it can be seen that the company has used water according to the budgeted budget and the permitted quota. Water usage data are as follows:

Month	FFB Process (Ton)	Process (m ³)	Average Water/ton FFB	Budget Water/ton FFB
January	14,292.09	10,738	0.75	0.87
February	13,457.26	9,701	0.72	0.87

March	17,965.21	12,469	0.69	0.87
April	19,756.57	12,948	0.66	0.87
May	17,411.96	12,530	0.72	0.87
June	19,956.94	13,660	0.68	0.87
July	20,524.55	13,624	0.66	0.87
August	22,626.76	15,691	0.69	0.87
Total	145,991.34	101,361	0.70	0.87

Based on the data above, the average use of water for FFB processing is 12,670,13 m³/month. The company also shows the water usage budget for FFB processing in 2021, which is 0.89 m³/ton FFB, and when compared to the data above, the average water use is still within the budgeted budget. The company also has a permit based on the Decree of the Governor of North Sumatra for the exploitation of water resources number 610/470/DIS PM PPTSP/6/XI.1/III/2018 dated March 26, 2018. Permission is given to the company to take water from Kundur river for palm oil processing activities.

The company has also carried out its obligations as a surface water user, namely paying a levy on the use of surface water every month by showing the Record of Payment of Surface Water Tax Bills. The evidence shown is the latest tax payment for the period January to August 2021 in the form of a Regional Tax Payment Letter with proof of payment for each month. Payments are made for the use of factory water, and each estate. All estates that are included in the scope of certification pay a separate levy based on the permit they have. The results of the field visit to the Water Treatment Plan (WTP) also showed that the flowmeter used was still functioning well, and the officer responsible for the WTP was very understanding about how the WTP works and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

Status: Comply

7.9

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

7.9.1

The Certification Unit utilizes solid waste to increase the efficiency of the use of fossil fuels and to optimize renewable energy which can be proven by records of the implementation of solid waste utilization. This can be shown in the document recapitulation of waste utilization for the period January – September 2021 with the following data as follow:

Description	Unit	TOTAL
FFB Process	Ton	165,009.29
Shell used	Ton	6,404.75
Fiber used	Ton	22,067.48
EFB used	Ton	-
Energy required for the process (KWh)	KWh	2,493,860
Calories generated from biomass (KKAL)	KKAL	86,482,142
Energy is generated from biomass	KWh	100,579
Energy from the biomass used for the process	%	47.15
Energy use of biomass per tonnes of FFB	KWh/Ton FFB	5.49

Solid waste in the form of shells, and fiber is used to substitute diesel as boiler fuel. Based on the data on the results of solid waste utilization carried out by the company during this period, it can produce energy efficiency of 5.49 KWh/Ton FFB and 9,609.13 KWh/month. Based on data on the use of diesel from January to September 2021, it can be concluded that the use of shells and fiber can save the use of diesel fuel by 47.15 % of the total diesel demand. However, this is influenced by the supply of FFB entering the POM. If the supply of FFB decreases, the use of diesel fuel will increase as happened in several month in 2021.

Status: Comply

7.10

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

7.10.1

Certification Unit has carried out a GHG inventory within the scope of Pangkatan POM, it can be concluded that the company has identified the source of GHG produced by PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju, especially for the Pangkatan Mill unit and its supplier plantations. The list of GHG emission sources, including:

Activity	Emissions produced
Planting in Peat	<ul style="list-style-type: none"> Planting on peat soils causes significant emissions of 30-50 gCO₂e/ha If the clearing does not pay attention to bulk density and the depth of water in the drainage area, the emissions released throughout the year can reach 60-70 gCO₂e/ha The recommended type of sapric peat and the depth of the peat should not be more than 3 meters (Replanting only) No new planting on peat areas
Fertilization and pesticide application	<ul style="list-style-type: none"> If urea is used, among others, NO₂ will be produced, the emission of which is 296 times the equivalent of CO₂. From our research, this result is quite small because oil palm plantations use mix fertilizers. Fertilization time must be considered also the amount used must follow the instructions from the leaf analysis
Use of diesel or gasoline	<ul style="list-style-type: none"> Will give emission which is about 83.2 g CO₂ e/ton it is better to use biomass as it is now Transport in the estate when using trucks will also produce emissions Transportation to refineries or to ports will also produce emissions
Processing	<ul style="list-style-type: none"> In processing there will be emissions from combustion for the boiler, kernel separation also produces emissions Electricity usage For transport and distribution of produce
Palm Oil Mill Effluent	<ul style="list-style-type: none"> Methane emissions from POME waste disposal are highly dependent on the amount of waste stored, depending on the FFB processed Biogas produced from anaerobic processes consists of 50% methane and 50% CO₂ Malaysia assumes 18.2 m³CH₄/tPOME produced by mill
POME Waste Disposal	<ul style="list-style-type: none"> Emissions released by waste are quite large and are in the form of CH₄ (if equivalent to CO₂ is 23 times) In Indonesia and Malaysia there are at least 1,112 mills (Indonesia 680 mills, Malaysia 453 mills) around 74 mills in Indonesia that use methane captured in Malaysia 50 mills with methane trapping program Methane gas density is 0.7kg CH₄/m³
Indirect Land Change	<ul style="list-style-type: none"> The buyer takes into account land use change and changes thereto until 2020 or beyond. This estimate is based on the growing use of biodiesel/biofuels If the demand increases, the price will increase. For this reason, plantations need to be opened to meet the demand, because GHG emission estimates need to be estimated now.

Reduction of fossil fuels at Pangkatan POM has been implemented by using fiber and shells for substitution boiler fuel. The company also uses POME with test results from the monitoring period January - September 2021, showing that all POME testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it is found that accurate data have been entered into the RSPO palm oil GHG Calculator. GHG calculation using palm GHG Calculator 4.0. The summary of GHG emissions for the period January - December 2020, is listed as follows:

Association	No. Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	3	170,329.28	6,966.00
Group Plantation	0	0.00	0.00
3rd Party	1	34,409.89	0.00
Total	4	204,739.17	6,966.00

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	2.65	tCO ₂ e/tProduct	Oil palm planted on mineral soil	6144.34	Ha
PK	2.65	tCO ₂ e/tProduct	Oil palm planted area on peat	821.66	Ha
PKO	0	tCO ₂ e/tProduct	Total oil palm planted area	6966.00	Ha
PKE	0	tCO ₂ e/tProduct	Conservation area (Forested)	14.00	Ha
OER	22.50	%	Conservation area (non-Forested)	38.40	Ha
KER	5.28	%	FFB Production per hectare	29.39	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂ e	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	27192.87	0.13	PK from own mill	0.00
Fuel Consumption	620.99	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	27813.86	0.14		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	68800.60	0.00	0.00	68800.60
CO2 Emissions from Fertilizer	4759.35	0.00	0.00	4759.35
N2O Emissions from Peat	6148.88	0.00	0.00	6148.88
N2O Emissions from Fertilizer	4279.83	0.00	0.00	4279.83
Fuel Consumption	810.29	0.00	0.00	810.29
Peat Oxidation	44848.98	0.00	0.00	44848.98
Sinks				
Crop Sequestration	-65073.39	0.00	0.00	-65073.39
Sequestration in Conservation Area	-128.38	0.00	0.00	-128.38
Total	64446.15	0.00	58496.81	122942.96

FFB Supplier

No	Supplier Name	FFB Production by Estate / Plantation (t)	FFB Supplied by Estate / Plantation (t)	Percentage of FFB supplied by Estate / Plantation (%)
1	Pangkalan Estate	71134.71	71134.71	100.00
2	Sennah Estate	40933.54	40933.54	100.00
3	Bilah Estate	58261.03	58261.03	100.00
4	Outgrowers	34409.89	34409.89	100.00

Palm Oli Mill Effluent Treatment

POME Treatment	Unit	Value
POME Produce	t/yr	98086
CH ₄ (Total)	t/yr	1222,15
Applied N in POME	t/yr	0
Total N ₂ O emission from POME	tCO ₂ e/yr	0,29

POME Diverted to Compost	%	100
POME Diverted to anaerobic digestion	%	0
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0
COD value before anaerobic digestion	mg/l	75050,90
COD value after anaerobic digestion	mg/l	6889,96
COD removed during digestion	tCOD/tPOME	0,07

**All POME is processed in WWTP and used for Composting*

GHG calculation results on ASA 1-4 have a bigger value (2.65 tCO₂e/tProduct) than ASA 1-3 (2.49 tCO₂e/tProduct). This was due to an increase in FFB management carried out by the company during the period of 2020. The company also carried out all POME produced for the composting process and channeled it to the Land application so that the emissions produced were quite high. The high value of emissions produced by the company is also due to the existence of a peat area of 821.66 hectares and the supply of fruit from outside the scope of certification.

7.10.2

There were no new land developments over 2014. And the certification unit did not expand / develop new plantations but only replanting activities. However, the company has already managed GHG by conducting an inventory of emission sources. Estimates of carbon stocks in the proposed development area along with potential sources of emissions that may occur directly as a result of the development that already explain in indicator 7.10.1. Company can show identification documents of activities that generate emissions for the period 2021 for Mills and Plantations. This is done to estimate the carbon stock in the management area along with potential sources of emissions that can occur directly as a result of the management, and a plan to minimize these emissions is drawn up and implemented.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, performing maintenance on operational equipment such as boilers on a regular basis (every week), doing reforestation around the factory and residential areas, and applying POME to the surrounding area Land Application. Records of GHG mitigation for Estate units, for example the use of fertilizers in accordance with the dosage, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, applying efficient use of electricity and integrated pest control to minimize the use of pesticides.

The plan has a clear timeline, PIC and targets. As for what is carried out are routine emission level tests for air emissions, noise, odors and ambient air, fertilization according to the recommendations and routine engine maintenance. Measurements are carried out periodically referring to applicable regulations such as for noise and odors. Measurements are carried out every 6 months and the quality of factory waste is carried out every month. The measurement itself is carried out by a national accredited testing laboratory. The monitoring results show that all pollution and emissions resulting from company activities still meet the thresholds that have been set for each type of emission and pollution.

Boiler burning activity at Pangkatan POM is not significantly negative impact on air quality. Company is committed to always monitoring/testing periodically with the installation of Smoke Density, and environmental improvements through air pollution reduction programs such as reforestation programs around factories, improving work safety for factory employees by wear protective clothing (masks) and tightly cover office walls and equip it with air conditioning and perform maintenance on machines boiler equipment regularly.

The unit of certification also carries out measurements and testing of stationary source emissions carried out on boilers and generator chimneys. Based on the analysis of the value of the test results, it can be concluded that there is no value that is above the applicable quality standard, namely Minister of Environment Regulation Number 15 of 2019 for boilers and number 21 of 2008 for Gensets.

Based on the results of field visits and interviews with management, the company has also taken several actions in managing emissions, including:

- Planting reforestation trees as a green line in the factory and reservoir areas.

- Using the recommended chimney exhaust emission technology, in reducing Air Pollution and noise in the processing plant environment.
- Equip the chimney with holes for measuring air quality emissions, measuring instruments and wind speed directions, and safety ladders.
- Testing and inspection of operational machines has been carried out by the company in cooperation with the relevant local government. This is indicated by the engine permit and the results of the 2020 inspection from the relevant agency.
- Operational maintenance of stations in Mill as indicated in the realization document and factory machine maintenance plan for 2020.

7.10.3

The certification unit has also identified other significant pollutants, as well as plans to reduce or minimize their impacts. Other sources of pollutants include ambient air quality, odors, vibrations and noise are carried out every 6 months. Significant impacts that are monitored include the operation of factory machinery, operation of generators, receipt and management of FFB as well as waste management activities.

Based on the results of measurements and testing of ambient air quality parameters derived from the use of fiber and shell fuel in boilers and generator operations in general, it does not have a negative impact because it is still below the applicable quality standard value, namely Government Regulation Number 41 of 1999. The company is committed to continuously periodically monitors and manages ambient air quality degradation through reforestation programs around factories and employee housing estates, performs road maintenance with road lateralization and watering, and operates roadworthy vehicles.

Based on the results of measurement and testing of odors at the WWTP location, factory offices and employee housing, they are still below the quality standard for the odor level stipulated in the Decree of the State Minister of the Environment No. 50 of 1996. Based on the test data, it can be concluded that wastewater treatment technology does not have a negative impact on the air (odor). The main anticipatory step is to maintain the condition of the bottom of the pond with adequate aeration where aeration really helps create an aerobic atmosphere at the bottom of the pond, besides that aeration also helps maintain high dissolved oxygen concentrations.

The vibration test results are also still below the vibration quality standard required by the Decree of the State Minister of the Environment No. 49 of 1996 concerning Vibration Level Quality Standards. Preventive steps in controlling vibration levels which are expected to have a negative impact on the environment, among others, are through preventive maintenance of machine units on a regular basis.

For the results of noise testing in employee housing areas and offices, none of them are above the quality standard. However, for the results of noise measurements, based on Permenaker No. 5 of 2018 the area of Thresher Station, Clarification, Boiler, Press, Kernel, WTP and Engine Room shows that it is above the required quality standard value (85 dB). With these conditions, in order to reduce the potential for hazards in the form of noise in the workplace and decrease the level of health (employee hearing), several control actions plan (programs) have been prepared to reduce the impact on the health factors of operators working at the location/station in accordance with the control hierarchy. danger and does not conflict with the basic principles of factory planning, namely economic feasibility factors, ease of tool operation, ease of maintenance factors and safety factors. Efforts that have been made by the company include:

- Replacement of components / redesign of tools / machines so that noise can be reduced, program maintenance of tools / machines periodically so that they are maintained
- Arrangement of working time by means of job rotation so that the amount of noise exposure to workers can be controlled (should not be >8 hours/day for a noise level of 85 dBA).
- Preparation of HIRARC (Hazard Identification Risk Assessment & Risk Control) documents for all activities at the Mill and socializing it to all related employees.
- Conduct periodic SOP socialization and training to related operators.
- Installation of a "Noise Zone" warning signboard and mandatory use of PPE.
- Inspection and evaluation of the health of the workforce and the routine work environment at stations with a potential level of noise hazard.
- Inspection/inspection of the use of PPE by safety officers related to the discipline of using PPE as well as monitoring the condition and number of existing PPE.

	Status: Comply	
7.11 Fire is not used for preparing land and is prevented in the managed area.		
<p>7.11.1</p> <p>The company has a no-burn policy which is contained in the SOP for non-burning operations with no. document PI/SOP/General-03 revision 00 with effective date 2 May 2011. The SOP covers all operational activities, both land clearing and other operations. And applies to the management of waste/waste without burning both in the field as well as in homes and offices. In addition, the company also has SOP No. PI/SOP/General-34 dated January 2, 2017 concerning Fire Prevention and Management where the procedure explains related to fire prevention.</p> <p>Until the field observation activities carried out in 2021, the certification units of PT Pangkatan Indonesia and PT Sembada Sennah Maju have not carried out replanting activities or new developments, nor has the replanting plan. Based on the results of the document review, it is known that until 2022 there is no plan for replanting activities within the scope of the unit. However, replanting has been carried out in the PT Bilah Plantindo area, the results of the verification of records of land clearing for replanting activities, field visits in the TBM area and residential areas, no indication of the use of fire for replanting activities or waste management was found. The results of interviews with surrounding villages (Pangkalan Village, Sennah Village and Negeri Baru Village) revealed that there were no issues related to land fires.</p> <p>Based on the results of interviews with the management and the Environment Agency of Labuhanbatu Regency, they also stated that the company is committed not to carry out burning activities for land clearing and that there have never been cases of land fires for the last 5 years. Based on the results of field visits throughout the estate, it is known that there are no signs or evidence of land clearing by burning, all land clearing is done mechanically by the company.</p> <p>7.11.2</p> <p>The company has a no-burn policy which is contained in the SOP for non-burning operations with no. document PI/SOP/General-03 revision 00 with effective date 2 May 2011. The SOP covers all operational activities, both land clearing and other operations. And applies to the management of waste/waste without burning both in the field as well as in homes and offices. In addition, the company also has SOP No. PI/SOP/General-34 dated January 2, 2017 concerning Fire Prevention and Management where the procedure explains related to fire prevention.</p> <p>There are almost no fires in the area of Pangkatan POM certification unit, and in particular forest fires in the HGU area did not occur in the first semester of 2021. To monitor fires, a fire monitoring tower has been built in the nursery area. fire emergency response and the Bakortiba Organization (Coordination Agency for Land Fire Emergency Response). Anticipation of fire emergency response in the work environment has been carried out by providing Light Fire Extinguishers (APAR) at work sites and emergency response training. Management efforts carried out by the company are directives and appeals to the community not to burn waste in residential and plantation areas, and so far, there have been no land fires. In carrying out fire prevention and control activities, the company has carried out several activities, including:</p> <ul style="list-style-type: none"> • Establish an emergency response structure for the company's internal • Fire-prone locations are marked on the map and assigned different grades and colors according to the hazard based on the level of fire hazard and limiting factors in Fire control. • Conduct analysis related to the development of hotspot points from the head office, and update immediately if hotspots are identified in the company's area • The field team will monitor daily vulnerability levels based on weather behavior by counting days without rain, and fuel conditions in the field. • Plan and carry out fire prevention patrol whose frequency is adjusted to the daily fire hazard level and carry out patrols with a priority scale to areas with higher hazard levels • Establish clear handling procedures in the context of Land Fire Control • Conduct socialization by involving related parties in efforts to prevent, estate control and land fires while still paying attention to Health protocols • Conduct training by involving competent parties and create applications to monitor Hotspots in the Company's area and its surroundings • The company has also formed a Forest and Land Fire Brigade with a total of 27 people for each estate and is equipped with a support team such as logistics, planning, heavy equipment, medical, work safety, security, public relations and others. 		

- Establish good communication and actively collect data on lands in the concession and surrounding villages that will and have the potential to clear land by burning.
- Socializing the dangers of forest and land fires directly and indirectly, namely through warning boards.
- On burnt lands adjacent to concessions, the company continues to carry out guarding activities by sending resources and equipment to prevent widespread burning.
- Mapping locations with demonstrable potential fires for the period 2021.

Based on the P2K3 and RKL-RPL documents regarding fire management for the 2021 period, there has never been a forest fire incident during 2021. The results of the field visit also showed that socialization regarding the prohibition of burning land has been conveyed through direct socialization to employees during morning apples and symbols posted in places that are easy for everyone to read. Field observations at the fire extinguisher storage location also show that the available tools are quite complete and in good condition, this is evidenced by the simulation of water pumps and hydrants.

7.11.3

The company has a Memorandum of Understanding between Pangkatan POM and all stakeholders, namely the subdistrict head, police chief, and village heads in Labuhanbatu District in an effort to cooperate in preventing and controlling forest and land fires. The document describes an agreement to cooperate in the context of controlling/preventing land fires as well as strengthening the fire emergency response team and rapid reaction forces as preparation for the dry season that will occur and have the potential to cause forest and land fires around the plantation area. Palm oil.

The company also showed a document of socialization and an equal commitment to fire prevention on July 6, 2021 related to Anticipation of the Dry Season and Efforts to Prevent and Overcome Forest and Land Fires in the Company's Areas and Surrounding Villages which were addressed to the Village Heads around. The document urges the villagers around the company area not to clear land by burning and immediately inform the company if they know of hotspots in the company area and/or in the village area around the company by calling the company's emergency response team number.

Status: Comply

7.12

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

7.12.1 and 7.12.8

The company did not carry out any expansion/development of new plantations after November 2005, but only replanting activities. An HCV assessment was also carried out for all estates included in the scope of certification; the HCV was carried out concurrently in 2011. A Liability Disclosure for MP Evans Group PLC was sent to RSPO via email on 23 July 2014. In addition, confirmation is available from RSPO via email dated April 14, 2017 that MP Evans Group PLC has submitted disclosure on non-compliant land clearance for all units with the conclusion of having no non-compliant land clearance or Zero Liability.

7.12.2

The Certification Unit has not cleared new land since 2005, the company also has a document identification of areas with high conservation value which is carried out for each estate which is divided into 3 documents. All studies were conducted by a consulting agency (Envirologic Consulting) from May to October 2011 led by Dr Sanath Kumaran who has been approved as HCV assessors with 17 years professional working in natural resources conservation and management in Malaysia. The identification activity uses The HCV toolkit for Indonesia Version 2008. Based on the identification results, the following information is obtained:

PT Pangkatan Indonesia

For the HCV Scope study, PT Pangkatan Indonesia has a document of HCV identification results in October 2011 for the study area of 2,586.11 Ha. The assessment has involved local communities and other stakeholders through FGDs in 3 villages, namely Perkebunan Pangkatan Village, Sidorukun Village, Pondok Batu Village, and Kampung Padang Village. Based on the identification results obtained information regarding the status of the conservation area with a total area of 38.40 Ha with the following information:

- HCV 1.3 and 4.1 located in the Kundur River Border covering an area of 36.77 Ha.
- HCV 6 located in Block A14 Division 1, Block V6 Division II, Block M4 Division III, and Block P8 Division IV with a total area of 1.63 Ha.

PT Bilah Plantindo

For the Scope HCV assessment, PT Bilah Plantindo has a document resulting from the July 2011 HCV identification for the study area of 2,961 Ha. The assessment has involved the local community and other stakeholders through FGDs in 3 villages, namely Kampung Bilah Village, Perkebunan Bilah Village and Negari Baru Village. Based on the identification results, information was obtained regarding the status of the conservation area, namely HCV 6 in the form of a sacred burial ground located in Blocks I-6 and H-10 Division 1 with a total area of 1.65 Ha.

PT Sembada Sennah Maju

For the HCV Scope study, PT Bilah Plantindo has the HCV identification result document in May 2011 for the study area covering an area of 1,813.61 Ha. The assessment has involved the local community and other stakeholders through FGDs in 3 villages, namely Sennah Village, Perkebunan Sennah Village and Negari Lama Village. Based on the identification results obtained information regarding the status of conservation areas with a total area of 12.35 Ha with the following information:

- HCV 1.2 which is the Oriental Pled Hornbill Habitat in blocks E13, E14 and E16 Division 3 which is a swamp area of 8 Ha.
- HCV 4.1 is located in Blocks E8 and E9 Division 3 which is a natural lake area of 3 Ha.
- HCV 6 is a sacred burial ground located in Block A 1-A 2 Division 1 and Block E16 Division 3 with an area of 1.35 Ha.

Based on the data above, it can be concluded that the company has carried out an HCV assessment by an RSPO approved assessor and has not cleared any new land after November 15, 2018. The total conservation area owned by Pangkatan POM certification unit is an area of 52.40 Ha with details, namely 38.40 Ha located in Pangkatan Estate, 1.65 Ha located in Bilah Estate, and 12.35 Ha located in Sennah Estate. Regarding the difference in the extent of the HCV assessment that has been carried out with the area of HGU owned by the company, it has been explained in indicator 4.4.1.

7.12.3

Indicator 7.12.3. until now irrelevant to Indonesia, until a further decision by the RSPO.

7.12.4

The company has compiled and determined the HCV management plan in the Management and Monitoring Plan of HCV in Palm Oil Plantation for the 2019-2021 period with the scope of management for each estate (PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju). The integrated management plan was developed in consultation with relevant stakeholders and covers the areas that are directly managed and takes into account the relevant broader landscape level which was carried out in conjunction with the 2018 SIA study. are within the scope of the company and there is no land conflict in it. There is also no community living or owning land around the HCV area. In general, the HCV area management and monitoring plan applied to each estate is relatively the same as the program as follows:

- Socialization of the estate in the implementation of the HCV implementation plan
- Mapping of all HCVs in each Estate and estimating the HCV area of each estate
- Implement good field practices to minimize threats/disruption to HCV
- Implement Stakeholder consultation with local communities on HCV implementation plans
- Re-vegetation with local tree species by making programs and implementation plans for re-greening the damaged river border areas
- Review HCV areas with HCV management and monitoring plans and review when appropriate to repeat HCV assessments on designated estates

The annual report for HCV activities in 2021 has not yet been made, but HCV management activities have been carried out according to the program that has been created. The implementation of HCV management and monitoring for the 2020 period is also in accordance with the 2019-2021 HCV management plan where the implementation time and intensity are also appropriate, which can be shown based on the Action Plan and HCV Review report documents for the 2020 period with photographic evidence. and absenteeism from activities. Some of the types of activities carried out are as follows:

- Animal inventory and monitoring training and animal conflict mitigation training
- Conducting animal monitoring and Vegetation Inventory
- Do not spray herbicides and pesticides at a distance of 50 m from the river bank, only manual maintenance activities are allowed
- Mitigation of animal conflicts
- Socialization of HCV and environment to staff and employees and the community (external)

- Maintenance of warning/notification boards
- Identification of Threats and Sources of Threats to the Presence of HCV 1, HCV 4 and HCV 6
- Creating and Maintaining/Maintaining Clear Boundaries of Grave Locations in a participatory way
- Analysis of action plans carried out by Estate Manager, S&C team, and Group manager
- Reviewing all activities that have been carried out

The company has also carried out a review related to management and monitoring activities in 2020 which is contained in the Action Plan and HCV Review report for the 2020 period which contains evaluation and recommendations for management and monitoring as an improvement effort. The document also explains the evaluation of the increase in the value and presence of HCVs in PGE, SNE and BIE after the identification of 2011-2019 with the addition of HCV areas based on the 2011 HCV assessment and non-HCV conservation areas. Based on the results of the field visit, it can be seen that the management has been carried out by the company in the HCV area, such as installing signboards in all HCV areas visited, marking the boundaries of chemical application areas with red paint and planting local plants in river border areas. Interviews with management, workers and surrounding communities also stated that they knew the location of the HCV and the regulations that had to be complied with. Regarding conflicts with animals in the company area, the results of interviews stated that there had never been a conflict with animals in the last 5 years, although in the Kundur River HCV area it was informed that there were crocodiles, but because the condition of the HCV area was still forest with fairly dense land cover and the river buffer is 50-meter wide so there is never any conflict with crocodiles.

Related issues from the internet sourced from the following link:

- <https://indahsuaranews.co/pt-pangkalan-indonesia-diduga-kangkangi-permen-pupr-no-282015-sertifikat-rspo-dan-ispo-perlu-di-revisi/>
- <https://detikkasus.com/kawasan-das-pt-pangkalan-indonesia-masih-dipungsikan-managemen-perkebunan/>
- <https://pirnas.com/daerah/inikah-yang-dinamakan-hutan-konservasi-perkebunan-pt-pangkalan-indonesia/>

The auditor has carried out in-depth verification of all issues found on the internet. Based on the analysis of the outstanding issues, it can be concluded that all of these issues are related to river border management in the PT Pangkatan Indonesia area, especially for the Kundur River conservation area. The circulating issue states that the company is still planting oil palm in the Kundur River border area where this is not in accordance with applicable laws and regulations in Indonesia such as the Regulation of the Minister of Public Works and Public Housing (PUPR) No. Lake Border. Responding to this issue, direct verification was carried out to the location to obtain relevant evidence. The results from field observations, company interviews, community interviews and interviews with the Labuhanbatu Regency Environmental Service are as follows:

- The results of the field visit to Block S1 Division 2 which is adjacent to Jiran Hamlet, Kampung Padang Village as stated in the first point report, shows that the location is indeed part of the HCV area is an area where oil palm continues to be planted and is adjacent to community plantations. However, it is certain that there is no replanting activity in this area. The condition of the river border which is still forested is also maintained with a relatively tight cover with native plant vegetation which was intentionally left as a river buffer during initial planting activities. For areas that have already planted oil palm, it also shows that the plants are between 20-25 years old and there are no traces of chemical application activities such as former spraying and fertilizing. The company only carries out manual harvesting and maintenance activities in the area. The marking of chemical application boundaries with red paint on the outermost trees is also clearly visible and the signboard marking the HCV area and prohibitions on the destruction of the HCV area is also clearly visible and well maintained.
- The results of the field visit to Block S1 division 2 on the other side of the river also show that the HCV location is still a secondary river border forest. There is no oil palm planting activity at this location. Most of the HCV area of the Kundur river border is a secondary forest area and only a small portion is an area that has already been planted with oil palm.
- The location of Blocks PG 97 and PG 4R as stated in the second bulletin is not located at the location of PT Pangkatan Indonesia. The results of the analysis of the company's operational map do not show any blocks with that name.
- A field visit to Block O4 Division 4 which is also a border area of the Kundur River showed the same results. Some areas are already areas where oil palm continues to be planted, but the management carried out is also the same, namely no application of chemicals and no replanting activities at these locations.
- Interviews with Kampung Padang Village also stated that they knew that the river border in the company's area was a protected area and socialization had also been carried out to avoid logging, burning and hunting in this area.
- The results of an interview with the Environmental Service of Labuhanbatu Regency also explained about the HCV area, where the location media often raised the issue on social media in an effort to blackmail the company. According to sources, news

makers do not understand the context in managing HCV for areas that have already planted oil palm. It doesn't mean that by being designated as an HCV area, all palm oil that has been planted must be cut down and reforested, but there are other HCV management alternatives like what the company has done. The Environment Agency also confirmed that the company already has the status of a Climate Village, which in determining the predicate has a fairly complex classification, one of which is conservation in the river border area. The resource person also ensures that the management that has been carried out by the company does not violate the applicable regulations because he has verified directly to the field to ensure the management of the HCV area in the company.

- The results of the interview with the company also stated that they had carried out the management of the HCV area, especially on the Kundur River border to the maximum. The company is also committed not to carry out any replanting activities in the area. The statement is contained in the 2011 HCV Identification Report section Management Options which states that *"Some sections of the oil palm block (eg. Div IV, Block S – 2005 & 1996 planting and Block O – 1997 planting) are quite close to the riparian buffer (50 m from the edge of the Sungai Kundur). When future replants of these blocks are planned, the palms inside the 50 m buffer are to be marked and not felled. Rehabilitation of the buffer zones with gradually thinning of the old palms over 3-5 years is recommended"*
- The company can also show the HCV Management and Monitoring SOP Number PI/SOP/General-07 dated 2 May 2011 at point 4.4.2 which clearly states that *"The left and right river areas are absolutely excluded from the land clearing area, even though there is no important vegetation (trees) in it. With the reason that the area will be carried out forest rehabilitation activities so that its condition can be restored"*
- The results of the verification of the HCV area management document for the 2020 period also show that the Kundur river border area has been planted with local plants such as fruit trees and other forest plants. The document also explains that there is no spraying of Herbicides and Pesticides at 50 m from the river bank, only manual maintenance activities are allowed.
- Based on the analysis of all the evidence obtained in verifying the issues circulating on the internet, it can be concluded that the news is not relevant to the conditions in the field. Indeed, in actual conditions, the river border area which is an HCV area has partly been planted with oil palm, but the company continues to manage the area by following the rules as stipulated in the RSPO Best Management Practice for Riparian guidelines and recommendations from the results of the HCV assessment that has been carried out. The statement from the Labuhanbatu Regency Environmental Service also confirms that there are indications of blackmail against the company by spreading negative issues to the mass media.

7.12.5

There are no customary/traditional rights within the plantation area of the unit of certification. The estate workers are members of the plantation village community. The local community's rights are only in the form of a public cemetery located within the plantation area and it has been identified as an HCV area. In its maintenance, the company and local residents both maintain and manage the area and there is no prohibition for the community to use the HCV area. The company has also carried out public consultation activities on the HCV management plan to the surrounding community to ensure the needs and knowledge of the community regarding the management of the HCV area through activities, among others:

- PT Pangkatan Indonesia, which was held on January 27, 2020, was attended by participants from Tebing Tinggi Pangkatan village, Sidorukun Village, Pondok Batu Village, Kampung Padang Village
- PT Bilah Plantindo, which was held on January 23, 2020, was attended by participants from Kampung Bilah and Kelurahan Negeri Baru
- PT Sembada Sennah Maju which was conducted on January 28, 2020, with participants from the Perkebunan Sennah Village, Sennah Village and Negeri Lama Village.

Based on the results of the study of the HCV identification document, it is known that there is no area needed by the community to fulfill basic needs. In addition, based on interviews with village officials, it is known that the community no longer fulfills their basic needs from the forest but from local markets. The livelihoods of the surrounding community include farming with rubber or oil palm plantations. Based on the results of field visits to the grave area, it also shows that there are still community activities that use the location as a burial place, the condition of the location is also quite good and well maintained with management carried out by the company.

7.12.6

The Certification Unit already has an SOP for HCV Management and Monitoring Number PI/SOP/General-07 dated 2 May 2011. The document states that in accordance with the company's sustainability principles, all employees are advised not to hunt, capture, kill and sell animals and protected rare plants and report if any such activity is found. Maintain and not disturb the area designated as

HCV area and report any illegal acts. Employees who do not comply will be subject to sanctions in accordance with applicable laws and regulations.

The list of protected species of flora and fauna resulting from the identification of HCV in 2011 uses the national reference for animal protection, namely Government Regulation No. 7 of 1999. If you refer to the data from the 2011 HCV, there are several protected fauna species, including:

- PT Pangkatan Indonesia: Sinyulong Crocodile (*Tomistoma schlegelii*), Otter Civet (*Cynogale bennetti*), Honey Bear (*Helarctos malayanus*), Banded Langur (*Presbytis melalophos*), and Leopard Cat (*Prionailurus bengalensis*). All of these species were also identified as Vulnerable according to the IUCN and Appendixes I and II according to CITES.
- PT Bilah Plantindo: Otter Civet (*Cynogale bennetti*), Honey Bear (*Helarctos malayanus*), Malayan Pangolin (*Manis Javanica*), and Leopard Cat (*Prionailurus bengalensis*). All of these species were also identified as Vulnerable and Endangered according to the IUCN and Appendixes I and II according to CITES.
- PT Sembada Sennah Maju: Otter Civet (*Cynogale bennetti*), Honey Bear (*Helarctos malayanus*), Sambar Deer (*Rusa Unicorn*), Malayan Pangolin (*Manis Javanica*), and Leopard Cat (*Prionailurus bengalensis*). All of these species were also identified as Vulnerable and Endangered according to the IUCN and Appendixes I and II according to CITES.

The company also shows the results of HCV monitoring carried out in 2020 with an intensity of monitoring 4 times a year, based on data from routine monitoring using the direct encounter of flora and fauna in the field as well as information on the existence of protected and endangered species showing that several types of flora and fauna can still be found in the estate area. The monitoring results show several types of animals there are these animals that are included in protected animals such as the Black Eagle (*Ictinaetus malaiensis*), Beaver (*Lutra Sumatrana*), Leopard Cat (*Prionailurus bengalensis*), Python (*Python reticulatus*), Partridge (*Gallus sp*), Black Kuduk Kepudang (*Oriolus cinensis*), and King Fisher (*Alcedines meninting*).

The company has also carried out socialization of the existence of endangered plants and animals to all employees and the surrounding community as evidenced by the minutes of socialization to the surrounding village community on February 15, April 14 and August 22, 2020 within the scope of PT Pangkatan Indonesia, photos and attendance list are attached in the document. Indirect socialization was also carried out by installing Information boards and warning signboards related to conservation areas and the presence of endangered protected plants and animals, the installation of these signboards is quite a lot and can be found in various locations, not specifically for HCV areas, such as the security post area, worker housing, community housing, factories and areas that often-become crossings.

Based on the results of interviews with management units and company employees regarding animal protection, the company has committed to protecting animals that are within the scope of the company's management, such as implementing a ban on hunting, killing and maintaining wild animals in the company's environment. The procedures for animal protection also regulate the existence of sanctions or penalties for violating the provisions. The results of interviews with workers and the surrounding village community also stated that they were aware of the prohibition on illegal hunting, burning, and logging in the company's area.

7.12.7

Avoid and prevent illegal hunting and / or encroachment of HCV areas that have been determined by Pangkatan POM, several warning boards have been installed regarding the prohibition of poaching and encroachment. Routine monitoring of HCV areas is carried out by several personnel appointed by the company. The results of field observations also indicate that there are signs that prohibit hunting of protected animals, burning, and marking the boundaries of conservation areas. The company also manages the peat area in the Bilah Estate with a fairly good water management arrangement, the construction of ditches and canals as well as 4 water gates spread over several locations around the estate. Good peat management can be shown from the absence of flooded areas throughout the company's area, while areas outside the company's scope are in a flooded condition.

Monitoring of protected areas in 2020 is carried out periodically every week to ensure the security of the area. The monitoring activities were carried out at several river border locations. This monitoring is carried out to see the progress of the results of HCV management from the initial stage to the current conditions. The results of field visits to several conservation areas show that the company has carried out management of protected areas such as replanting local species, not logging, not using chemicals, and installing Protected Area signs and prohibiting hunting.

The company also conducts annual monitoring and evaluation for the management of HCV areas where these activities are aimed at

identifying risks and impacts on conservation areas and enhancing protection efforts. Some of the proposed activities are based on the results of the 2021 evaluation conducted in February 2021, including:

- Increase socialization activities to staff, plantation employees and the community around the plantation to increase the level of understanding of HCV
- Carry out various action plans for corrective actions based on management and monitoring recommendations that have been carried out
- Adjusted the poster of protected animals based on PermenLHK No.106/2018
- Cooperating with Plasma such as joint patrols/monitoring, planting woody plant species and socializing to the surrounding community to protect the forest.
- Conduct refreshment training for HCV PIC.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

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

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of MP Evans Group PLC against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 5.5.3. A summary of findings is as stated below.

MP Evans Group PLC Time Bound Plan (TBP) is explained in table 1.10. MP Evans Group PLC has twenty-seven (27) management units with five (5) mills. MP Evans Group PLC has informed the TBP progress, MUTU has considered that MP Evans Group PLC is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by MP Evans Group PLC on 8 October 2021.

MUTU has verified partial certification for un-certified unit's subsidiary of MP Evans Group PLC based on their Time Bound Plan. There are two (2) uncertified mills and nine (9) uncertified estates management units of MP Evans Group PLC. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is developed under MP Evans Group PLC</p> <p><i>Auditor verification</i> Based on the document review, there is a company internal audit that was conducted on 23-24 August 2021 and the positive assurance is at this table that is also been verified.</p>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<ul style="list-style-type: none"> - PT. Simpang Kiri Plantation Indonesia. RACP is not applied for this unit because the last land clearing was conducted before November 2005. The unit does not have mill. - PT. Evans Lestari (PT.EL) has conducted HCV and SIA identification by Forestry Faculty of Institute Pertanian Bogor (IPB) on March 2013 led by Dr. Ir. Jarwadi Budi Hernowo Msc. Before land clearing, therefore the unit has no liability related to RACP. PT Evans Lestari also conducted NPP on 17 December 2013 conducted by Certification Body of Control Union. - PT Bumi Mas Agro has an HCV identification document made in December 2014 in collaboration with PT Sonokeling with a total HCV area of 382.72 Ha <p><i>Auditor verification</i> Based on internal audit results and evidence provided (communication to RSPO on liability disclosure) the three uncertified units of: PT Simpang Kiri Plantation Indonesia Last land clearing happened before November 2005 and there is no new land clearing of new planting.</p>

		<p>PT Evans Lestari</p> <p>Land clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing. Liability of disclosure has been sent to RSPO Compensation Team on 23 July 2014.</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>New planting/land clearing after 1st January 2010.</p> <p>Auditor verification</p> <p>Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1st January 2010 for PT Gunung Pelawan Lestari and PT Evans Lestari but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>There is no land conflicts.</p> <p>Auditor verification</p> <p>Based on evidence provided, the company merely conducted planting on the area that has been compensated from the land owner by FPIC. The documentation of each land compensation/leasing is documented.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>There is no labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>Auditor verification</p> <p>There is no indication of labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>Yes, there is process for land legality.</p> <p>Auditor verification</p> <p>Land legal process is still going on and there is a detail update progress documented by the company for each year. PT Simpang Kiri Plantation Indonesia and PT Bumi Mas Agro already have been HGU.</p> <p>Update legal for PT Evans Lestari: the company has got plantation business permit (IUP) from Bupati Decree of Musi Rawas No. 891/KPTS/Disbun/2012 dated 12 November 2012 for 20,000 ha. It is in accordance with the scale of the company location permit (Decree of Bupati Musi Rawas No. 578/KPTS/BPM-PTP/2012 dated 30 October 2012 for 20,000 ha). However the location permit has been expired – need further HGU process information or any other legal process.</p>

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

3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1.3 Remote Audit

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

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1.3 + ASA-1.4 Onsite Audit

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

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	3.4.3 Critical	<p>The social and environmental management and monitoring plan is implemented, monitored and updated periodically in a participatory manner.</p> <p>Based on the results of the study of the SIA document, the following information was obtained:</p> <ul style="list-style-type: none"> • The company has a Social Impact Assessment Management and Monitoring Plan (SIA) which is prepared every 2 years, by collecting data related to community perceptions which is carried out periodically every 2 years. • Based on the results of the study of the SIA Action Plan Report for the period November 2019 to October 2020, information was obtained that the last public perception data collection was carried out in January 2020, while for the period June 2020 it could not be carried out due to the Covid-19 pandemic. • The results of interviews with management regarding the collection of community perception data in 2021 also cannot be carried out due to the Covid-19 pandemic <p>However, based on the results of field verification, identification of issues on the internet and interviews from several sources, some information was obtained that could have an impact on social aspects within the company. This is an opportunity for improvement for the company to identify public perceptions that can cover all existing issues (including issues from the internet) in the future SIA management period.</p>
2	4.4.1 Critical	<p>Documents are available showing legal ownership or lease, or customary land use permits granted by customary land owners (ulayat) through a FPIC process. Documents relating to the history of land ownership and actual legal or customary use are available.</p> <p>PT Bilah Plantindo (on behalf of PT Surya Makmur) has HGU Certificate No. 1 of 1989, dated October 24, 1989, covering an area of 1,641 hectares with a validity period of up to December 31, 2018. During the audit, the company indicated that SK HGU No. 23/HGU/KEM-ATR/BPN/IV/2021 dated April 16, 2021 regarding the extension of the term of the HGU on behalf of PT Surya Makmur with an area of 1,516.63 Ha. Then issued HGU Certificate No. 81 year 2021 on behalf of PT Surya Makmur covering an area of 1,516.63 Ha on June 2, 2021 and valid until December 31, 2043. However, the area is reduced compared to the area in the previous HGU certificate. The company said that in fact there was no physical area increase from the previous HGU.</p> <p>Therefore, the company showed an application letter for HGU covering an area of 178.18 Ha to the Head of the Labuhanbatu Land Office on February 6, 2020. The company showed evidence that the area had obtained a Location Permit covering an area of 178.18 Ha on July 26, 2018.</p> <p>Then a letter from the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency Regional Office of the National Land Agency of North Sumatra Province was also shown No: 78/UND-300.HT.01.02/V/2020 dated May 8, 2020 regarding invitations to several agencies to carry out inspections, research and field review as well as the Land Inspection Committee Meeting B in the context of making Minutes of Land Inspection "B" related to the HGU application on behalf of Aleksa Sihombing who acts as Director of PT Surya Makmur covering an area of 178.18 Ha located in the village of Perkebunan Bilah, District of Bilah Hilir, Regency Labuhanbatu, North Sumatra Province. However, until this audit was carried out, the company had not received further information regarding the Committee B trial process.</p> <p>Therefore, companies are encouraged to ensure that the process of acquiring land rights in the form of HGU in the 178.18 Ha area is carried out in a positive manner.</p>
3	6.7.3 Critical	<p>Workers use appropriate Personal Protective Equipment (PPE), and it is provided free of charge to all workers in the workplace, as protection in all operations that have potential hazards, such as pesticide application, machine operation, land preparation, and harvesting.</p>

		<p>Sanitation facilities are available for workers who use pesticides so that workers can remove PPE, clean themselves and put on their personal clothes.</p> <ul style="list-style-type: none"> Based on the results of the visit at Pangkatan Mill, it was found that several workers wearing PPE safety shoes were in damaged condition, namely in the sorting area, stew station, Tripler station, kernel station and press station. The company shows PPE monitoring documents for workers at Pangkatan Mill which was carried out on September 11, 2021 at the sorting area, stew station, Tripler station, kernel station and press station. The company shows a purchase order for PPE for safety shoes dated September 18, 2021, a total of 13 pairs for workers in the sorting area, stew station, Tripler station, kernel station and press station. The company shows the approval document for submitting PPE for safety shoes on October 5, 2021, a total of 13 pairs for workers in the sorting area, stew station, Tripler station, kernel station and press station. Until the ASA-1.4 audit process is carried out, PPE has not been able to be delivered to workers in the sorting area, stew station, Tripler station, kernel station and press station because they are still waiting for shipments from vendors. <p>The company has the opportunity to ensure stock availability for replacement of damaged PPE before the routine replacement schedule, in order to ensure workers, use the appropriate Personal Protective Equipment (PPE).</p>
4	7.3.1 Non-Critical	<p>There is a waste management plan that is documented and implemented in accordance with applicable laws and regulations, including reduction, recycling, reuse, and disposal, based on the characteristics of toxicity (toxicity) and other hazards.</p> <p>Based on the results of field visits related to hazardous and toxic waste management, information was obtained that there were used paint cans and used oil drums stored in the scrap metal storage area which is in front of the transit hazardous waste warehouse in the factory area. Based on the documents resulting from the identification of Hazardous waste sources, the used paint cans and drums are Hazardous waste. The results of the interview with the company stated that the Hazardous Waste belongs to the contractor which has not been managed by the contractor concerned. The company also explained that it cannot transport the Hazardous Waste because it is not waste originating from company activities.</p> <p>This is an improvement opportunity for the company to ensure that all Hazardous waste within the scope of the company's management area can be stored in a special storage location for Hazardous waste, as well as ensuring that all parties who work with the company understand the Hazardous Waste management applicable in the company's area.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	Commitment to implement the principles of sustainable oil palm plantation management.
2	The company has competent human resources in their respective fields.
3	Already have ISCC and ISPO certificates
4	Companies no longer use pesticides with active ingredients from paraquat
5	Obtained the title of <i>Kampung Iklim</i> (Climate Village) from DLH and Proper Blue for 2021
6	Presentation of documents is quite good

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Environmental Agency of Ketapang Regency Interviewees: Head of Environmental Management Date: October 04, 2021</p> <p>There are no environmental issues that occur in the company. The company has made regular reports every quarter and semester in accordance with applicable obligations and is officially recorded at the Agency. During the past year, there were no cases of conflict with animals or environmental issues from the community. The Environment Agency also added that regarding the implementation of Government Regulation Number 22 of 2021 which is a renewal of several environmental regulations that have been implemented in oil palm plantation companies. Currently it is in the socialization phase and encourages companies to prepare all the prerequisites needed to implement these regulations. There are also no issues from the community and local NGOs related to pollution or conflict. The environmental service also routinely conducts annual monitoring to ensure that environmental management has been carried out properly.</p> <p>Respondent also explained about the HCV area, where the location media often raised the issue on social media in an effort to blackmail the company. According to sources, news makers do not understand the context in managing HCV for areas that have already planted oil palm. It doesn't mean that by being designated as an HCV area, all palm oil that has been planted must be cut down and reforested, but there are other HCV management alternatives like what the company has done. The Environment Agency also confirmed that the company already has the status of a <i>Kampung Iklim</i> (Climate Village), which in determining the predicate has a fairly complex classification, one of which is conservation in the river border area. The resource person also ensures that the management that has been carried out by the company does not violate the applicable regulations because he has verified directly to the field to ensure the management of the HCV area in the company.</p> <p>Regarding the explanation of the climate village, respondents stated that the company had carried out several activities to reduce the effects of greenhouse gases, namely by prohibiting the use of bottled drinking water, managing litter into mulch, making "<i>biopor</i>" in employee housing areas, doing greenery throughout the company area and establish a conservation area on the river border.</p>	<p>There are no negative issues that need further clarification. Several explanations have been described in the report.</p>
<p>Land Office Labuhanbatu Regency Date of Interview: 4 October 2021 Interviewee: Staff</p> <ul style="list-style-type: none"> • The company already has land legality in the form of Land Title Rights (HGU). • PT Pangkatan Indonesia and PT Sembada Sennah Maju already have HGU, while PT Surya Makmur (on behalf of PT Bilah Plantindo) 	<p>The auditor has verified the conformity of the related indicators.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>has extended the HGU, but there are still 178.18 Ha in the process of submitting the HGU.</p> <ul style="list-style-type: none"> PT Pangkatan Indonesia's HGU will expire in 2023. The company routinely reports the utilization of HGU every year, the latest being reported for the period 2020. There is no land dispute issue that goes to the Land Office of Labuhanbatu Regency. 	
<p>Manpower Agency of Labuhanbatu Regency Interviewees: Head of Manpower Agency of Labuhanbatu Regency Date: October 04, 2021</p> <ul style="list-style-type: none"> Mandatory reports related to employment have been submitted regularly in accordance with its period. The company has registered the Labor Union No complaints regarding labor issues (child labour, worker discrimination, forced labor and so on). There was no request for information from the Labuhanbatu Regency Manpower and Transmigration Office. Every communication with the company is carried out through telephone and mobile applications. There was a mediation request from the company to the Manpower Agency regarding the termination case but it has not been resolved due to the workers who still disagree with the agreement, There were no complaints related to salary shortages. 	<p>Regarding to that issue, the company showed the calculation of termination payment in accordance with the existing law, but there were some parties who disagree (the lawyer and employees). The calculation had been calculated with the manpower agency mediator as in tripartite conference but the workers still disagree for uncertain reason.</p>
<p>FFB Supplier Interviewees: Ramp MT and Ramp JS Date: October 04, 2021</p> <ul style="list-style-type: none"> The positive impact of the company's presence is the improvement of the economy community. And no negative issues that collected from this interview. The company has built a partnership for FFB supplier and going well as long as they have a relationship. The company has conducted socialization about RSPO and all regulation that company have. The company has also conducted socialization related to the company's protected areas and the prohibition of hunting for animals. The FFB prices is made clearly and accepted from both parties and the payment is up to date. 	<p>There are no negative issues that need further clarification. Several explanations have been described in the report.</p>
<p>Labor Union Date: 04-05 October 2021 Interviewee:</p> <ul style="list-style-type: none"> Labor Union of PGE and PGM Labor Union of BIE Labor Union of SNE 	<p>There were no negative issues related to labor union that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> • Labor unions were always involved in every Collaborative Labor Agreement updated each period. • Internal meetings of labor union were held at least once a month, while bipartite once a month or whenever it's needed. • The wages applied by the company were in accordance with the applicable minimum wage. • The company supports union activities by providing secretarial building. • There are no labor-related issues happened in all units. 	
<p>Village Representatives Date of Interview: 4 October 2021 Interviewee:</p> <ul style="list-style-type: none"> • Village Head of Kampung Padang • Village Head of Tebing Tinggi • Village Head of Negeri Lama • Village Head of Negeri Baru <ul style="list-style-type: none"> • The company absorbs workers from the village. • There is no land conflicts between the company and the surrounding community. • There is no environmental pollution issues for the last 2 years. • The company has socialized about protected animals and conservation areas and put up a sign prohibiting hunting of certain animals around the plantation area. • Socialization of the prohibition on burning for land clearing has been conducted. • The company provides CSR to villages . • There is no problem with the communication between the village and the company and the company always responds to requests from the village. 	<p>There are no negative issues from the village community around the company. The explanation regarding the interview results has been explained in the report.</p>
<p>Gender Committee Date of Interview: 4-5 October 2021 Interviewee:</p> <ul style="list-style-type: none"> • Gender Committee Head of PGE and PGM • Gender Committee Head of BIE • Gender Committee Head of SNE <ul style="list-style-type: none"> • There were no complaints regarding issues related to sexual harassment and violence against women. • All pesticides applicator worker and others work which related to chemical material is done by men. • The gender committee had socialized some policies related to gender, sexual harassment, and domestic violence. • The company has had a policy to protect female workers from sexual harassment in the workplace as well as a grievance mechanism. The company also implemented some regulations related to reproductive rights such as menstruation leave and maternity paid leave. 	<p>There were no negative issues related to gender discrimination that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p>


Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Employee Cooperative Date: 04-05 October 2021 Interviewee:</p> <ul style="list-style-type: none"> Employee Cooperative of PGE and PGM Employee Cooperative of BIE Employee Cooperative of SNE <p>Based on the interviews with the head of employee cooperative in each unit, it is known that the company strongly supports cooperative activities, by providing the cooperative buildings, electricity, and transportation. The end of the year meeting was always held as a form of management accountability to members of the cooperative. There were no any interference to cooperative management.</p>	<p>There were no negative issues related to cooperative employee that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p>
<p>Related Social issues from the internet sourced from the following link: https://www.sepindonesia.com/news/pt-pangkatan-indonesia-tanami-kelapa-sawit-di-jalan-umum-dan-pasang-portal/</p> <p>On 11 May 2021, where in the news it was conveyed that PT Pangkatan Indonesia was planting oil palm plantations in the area belonging to the Sidorukun Village road, Pangkatan District which headed for NTB and Dusun 7 Timbang Air.</p>	<p>Based on verification to the management of PT Pangkatan Indonesia, information was obtained that the road is a road that is in the company's HGU and has been used by people who want to go to Timbang Air Hamlet, Sidorukun Village.</p> <p>The company also shows a letter of statement from Head of Perkebunan Pangkatan Village with the letter number: 145/29/Sekr/X/2021 dated 15 May 2021 which explains 4 points, namely:</p> <ul style="list-style-type: none"> The road from Sidorukun Village to the community farm (NTB) is in the HGU area of PT Pangkatan Indonesia The road is used by the community to go to the fields of NTB or to the Timbang Air Hamlet, Sidorukun Village The size of the road is 6 meters wide and $\pm 1,800$ meters long The road has been well cared for and maintained by PT Pangkatan Indonesia. <p>Based on interviews with staff from the Land Office of Labuhanbatu Regency, it was found that there were no complaints or reports regarding the planting of oil palm plantations on the road to Sidorukun Village. It was also informed that until now there have been no cases of land disputes or conflicts that have been reported to the land office of the Labuhanbatu district.</p>
<p>Related Environmental issues from the internet sourced from the following link:</p> <ul style="list-style-type: none"> https://indahsuaranews.co/pt-pangkatan-indonesia-diduga-kangkangi-permen-pupr-no-282015-sertifikat-rspo-dan-ispo-perlu-di-revisi/ https://detikkasus.com/kawasan-das-pt-pangkatan-indonesia-masih-dipungsikan-management-perkebunan/ 	<p>Based on the analysis of all the evidence obtained in verifying the issues circulating on the internet, it can be concluded that the news is not relevant to the conditions in the field. Indeed, in actual conditions, the river border area which is an HCV area has partly been planted with oil palm, but the company continues to manage the area by following the rules as stipulated in the RSPO Best</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> https://pirnas.com/daerah/inikah-yang-dinamakan-hutan-konservasi-perkebunan-pt-pangkalan-indonesia/ <p>The auditor has carried out in-depth verification of all issues found on the internet. Based on the analysis of the outstanding issues, it can be concluded that all of these issues are related to river border management in the PT Pangkatan Indonesia area, especially for the Kundur River conservation area. The circulating issue states that the company is still planting oil palm in the Kundur River border area where this is not in accordance with applicable laws and regulations in Indonesia such as the Regulation of the Minister of Public Works and Public Housing (PUPR) No. Lake Border. Responding to this issue, direct verification was carried out to the location to obtain relevant evidence. The results from field observations, company interviews, community interviews and interviews with the Labuhanbatu Regency Environmental Service are as follows:</p> <ul style="list-style-type: none"> The results of the field visit to Block S1 Division 2 which is adjacent to Jiran Hamlet, Kampung Padang Village as stated in the first point report, shows that the location is indeed part of the HCV area is an area where oil palm continues to be planted and is adjacent to community plantations. However, it is certain that there is no replanting activity in this area. The condition of the river border which is still forested is also maintained with a relatively tight cover with native plant vegetation which was intentionally left as a river buffer during initial planting activities. For areas that have already planted oil palm, it also shows that the plants are between 20-25 years old and there are no traces of chemical application activities such as former spraying and fertilizing. The company only carries out manual harvesting and maintenance activities in the area. The marking of chemical application boundaries with red paint on the outermost trees is also clearly visible and the signboard marking the HCV area and prohibitions on the destruction of the HCV area is also clearly visible and well maintained. The results of the field visit to Block S1 division 2 on the other side of the river also show that the HCV location is still a secondary river border forest. There is no oil palm planting activity at this location. Most of the HCV area of the Kundur river border is a secondary forest area and only a small portion is an area that has already been planted with oil palm. The location of Blocks PG 97 and PG 4R as stated in the second bulletin is not located at the location of PT Pangkatan Indonesia. The results of the analysis of the company's operational map do not show any blocks with that name. A field visit to Block O4 Division 4 which is also a border area of the Kundur River showed the same results. Some areas are already areas where oil palm continues to be planted, but the management carried out is also the same, namely no application of chemicals and no replanting activities at these locations. Interviews with Kampung Padang Village also stated that they knew that the river border in the company's area was a protected area and 	<p>Management Practice for Riparian guidelines and recommendations from the results of the HCV assessment that has been carried out. The statement from the Labuhanbatu Regency Environmental Service also confirms that there are indications of blackmail against the company by spreading negative issues to the mass media. Several explanations have been described in the report Indicator 7.12.4 related to Conservation Management.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>socialization had also been carried out to avoid logging, burning and hunting in this area.</p> <ul style="list-style-type: none"> The results of an interview with the Environmental Service of Labuhanbatu Regency also explained about the HCV area, where the location media often raised the issue on social media in an effort to blackmail the company. According to sources, news makers do not understand the context in managing HCV for areas that have already planted oil palm. It doesn't mean that by being designated as an HCV area, all palm oil that has been planted must be cut down and reforested, but there are other HCV management alternatives like what the company has done. The Environment Agency also confirmed that the company already has the status of a Climate Village, which in determining the predicate has a fairly complex classification, one of which is conservation in the river border area. The resource person also ensures that the management that has been carried out by the company does not violate the applicable regulations because he has verified directly to the field to ensure the management of the HCV area in the company. The results of the interview with the company also stated that they had carried out the management of the HCV area, especially on the Kundur River border to the maximum. The company is also committed not to carry out any replanting activities in the area. The statement is contained in the 2011 HCV Identification Report section Management Options which states that <i>"Some sections of the oil palm block (eg. Div IV, Block S – 2005 & 1996 planting and Block O – 1997 planting) are quite close to the riparian buffer (50 m from the edge of the Sungai Kundur). When future replants of these blocks are planned, the palms inside the 50 m buffer are to be marked and not felled. Rehabilitation of the buffer zones with gradually thinning of the old palms over 3-5 years is recommended"</i> The company can also show the HCV Management and Monitoring SOP Number PI/SOP/General-07 dated 2 May 2011 at point 4.4.2 which clearly states that <i>"The left and right river areas are absolutely excluded from the land clearing area, even though there is no important vegetation (trees) in it. With the reason that the area will be carried out forest rehabilitation activities so that its condition can be restored"</i> The results of the verification of the HCV area management document for the 2020 period also show that the Kundur river border area has been planted with local plants such as fruit trees and other forest plants. The document also explains that there is no spraying of Herbicides and Pesticides at 50 m from the river bank, only manual maintenance activities are allowed. 	
<p>Related Worker Welfare issues from the internet sourced as in following links:</p> <ul style="list-style-type: none"> https://www.koranperdjoengan.com/17-buruh-pt-pangkalan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/ https://valito.id/17-buruh-pt-pangkalan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/ 	<p>In terms of clarifying the issues, the company has been able to show supporting documents including:</p> <ul style="list-style-type: none"> Daily Worker Agreement for the period 2015 - 2019 and proof that the agreement has been registered with the Labuhan Batu Regency Manpower Office. The work agreement contains clauses regarding the type and place of work, working days and hours,

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> https://liputanhukum.com/2020/04/28/kosp-lsm-laporkan-pt-pangkalan-indonesia-mp-evans-group-ke-dinas-tenagakerja-labuhanbatu/ https://www.tvnyaburuh.com/berita/tok-hakim-phi-medan-menangkan-gugatan-pesangon-buruh-bhl-kebun-pt-pangkalan-indonesia/ https://valito.id/gugatan-perdata-bhl-pt-pangakatan-indonesia-dimenangkan-hakim/ https://nusadaily.com/news/nusantara/gugatan-perdata-bhl-pt-pangkalan-indonesia-dimenangkan-hakim.html <p>Based on internets surfing, there were some issues related to employments, the problems raised include:</p> <ul style="list-style-type: none"> The Respondent does not furnish a written employment agreement to daily casual workers; Daily casual workers are not registered to the Social and Employment Security Insurance (BPJS Ketenagakerjaan) and Healthcare Security Insurance (BPJS Kesehatan); Daily casual workers are not provided with payslips; Daily casual workers are not provided with bonus or rice allowance; The Respondent provides an insufficient amount of statutory festivity allowance (THR) to daily casual workers; and The Respondent fails to provide Personal Protective Equipment (PPE) for workers when working in the Respondent's oil palm plantation area. <p>The media stated that the company did some termination of 17 daily casual workers and do not pay the termination payment. Based on Industrial relations dispute in District Court, the 19 daily workers prevail their lawsuit.</p>	<p>wages and work regulations</p> <ul style="list-style-type: none"> Occupational accident insurance policy from PT Chubb General Insurance Indonesia for 728 Evans Indonesia employees with a validity period of 1 May 2019 to 30 April 2020 Proof of payment of insurance January - December 2019 for BHL employees Health facilities for employees, such as clinics and a memorandum of health services to employees dated January 16, 2012, which basically states that all employees (both permanent, non-permanent and casual workers) have the right to receive health services at the clinic in accordance with company regulations. List of casual employees' wages for the period 2015 – 2019 Employment policies regulated in the Collective Labour Agreement. In the agreement, it is clearly stated that the scope is employees of permanent worker (<i>SKU</i>) Recap of giving holiday allowance for daily worker from 2017 – 2019 Statement of PPE acceptance from 2015 – 2019 <p>Based on the interviews with the manpower agency of Labuhanbatu, it revealed that before the issues brought to the district court, it went through the industrial relations dispute (tripartite). The company had been discussed about the payment of termination of daily casual worker with the manpower agency and it stated that there was no termination payment to daily casual worker in accordance with the existing law (government regulation No. 35 of 2021).</p> <p>The 19 daily casual workers on behalf of SMS (initial) under the lawyer JS (initial) disagree with the manpower agency's (tripartite) pronouncement so they brought the issue through the district court. The company didn't receive any court judgment decree, they got the news from the media that the 19 daily casual workers prevailed their lawsuit.</p> <p>Based on the interviews with the company, they stated that the company still wait for the court judgment decree since they didn't receive any yet, and plan to do some judicial appeal.</p>
<p>Agriculture Agency, Plantation Division, of Labuhanbatu Regency.</p> <ul style="list-style-type: none"> The assessment of plantation grade of is conducted by Regency level in 2020. The company has a legality document in the form of (IUP). The company is not included in the forest area. 	<p>Based on document review and field observations, the company has demonstrated legal compliance regarding environmental, and no indications of environmental</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> The Company has regularly reported its Progress Report of Plantation Business (<i>Laporan Perkembangan Usaha Perkebunan/ LPUP</i>). For the Report in 1st semester of 2021, the company input the data of land use. Fire facilities are sufficient, although not fully in accordance with regulation. The Company has justified the needs of fire infrastructure in accordance with the business and landscape conditions. Based on the explanation from Agriculture Agency, Plantation Division, of Labuhanbaru Regency has been monitoring fire emergency response reported every 3 months and helps the handling of land fires that occur outside the operation areas, such as the surrounding villages in the form of personnel and equipment assistance. CSR activities have been conducted for the surrounding villages and need to be improved again. CSR programs are not included in the Progress Report of Plantation division. Period of 2020-2021 no fire incident occurred in the company's operational area. The company has responded to information requests quickly and transparently. 	<p>pollution. Described in detail in criteria relevant.</p>
<p>Local Contractors for transportation FFB, EFB and boiler ash.</p> <p>The company continues to improve business and empower local communities by cooperating with local contractors, for example in transportation FFB, EFB and boiler ash. Making a work agreement based on the agreement between the two parties and payment is made on time in accordance with the contents of the agreement. The company always conducts socialization and evaluation related to the fulfillment of labor social assurance, RSPO socialization and the OHS aspects of contractor workers.</p>	<p>The company has demonstrated its commitment to develop local communities. In addition, documentation has been shown that the payment of the contractor's results has been paid according to the agreement and on time. Described in detail in criteria relevant.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div><div><p>PT Pangkatan Indonesia Management Representative</p><p><u>Arvind Devadasan</u> Monday, 11 October 2021</p></div><div><p>MUTU International Lead Auditor</p><p><u>Hasiholan Sihombing</u> Monday, 11 October 2021</p></div></div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
1	Land Office	Labuhanbatu Regency	-	Via phone	4 October 2021	✓	
2	Plantation Agency	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
3	Environmental Agency	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
4	Manpower Agency	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
5	Negeri Baru Village	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
6	Kampung Padang Village	Labuhanbatu Regency, North Sumatera	-	Via phone	4 October 2021	✓	
7	Tebing Tinggi Village	Labuhanbatu Regency, North Sumatera	-	Via phone	4 October 2021	✓	
8	Negeri Lama Village	Labuhanbatu Regency, North Sumatera	-	Via phone	4 October 2021	✓	
9	Employment Cooperative	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
10	Labor Union (BIE, PGE, PGM, AND SNE)	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
11	Gender Committee (BIE, PGE, PGM, AND SNE)	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
12	Gender Committee (BIE, PGE, PGM, AND SNE)	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
13	FFB Supplier Ramp MT and Ramp JS	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 October 2021	✓	
14	Local Contractor CPO Transporter, FFB transport, EFB transport and boiler ash transport.	Labuhanbatu Regency, North Sumatera	-	Via Phone	4 Oct 2021	✓	
15	Pangkalan POM • 1 security • 1 weighbridge operators • 1 Grading worker • 1 Boiler operator • 1 Sterilizer operator • 1 Press operator • 1 Engine room operator • 1 Kernel station operator • 3 Emergency Response Team. • 1 WWTP Operator • 1 WTP Operator • 1 Workshop Operator • 1 Storage Officer • 1 SHE Officer	Labuhanbatu Regency, North Sumatera	-	Observation and Interview	4 Oct 2021	✓	
16	Pangkalan Estate:	Labuhanbatu Regency,	-	Observation	4 Oct 2021	✓	

	<ul style="list-style-type: none"> • 3 Pesticide Applicator • 5 harvesters & loosefruit picker • 3 EFB Fertilizer Applicator • 1 Storage Officer. • 2 Baby sitter. • 1 Emergency team. • 4 residents in the housing area. • 1 SHE Officer • 1 Workshop Operator 	North Sumatera		and Interview			
17	Bilah Estate: <ul style="list-style-type: none"> • 12 manual upkeep • 8 harvesters & loosefruit picker • 1 Barn Owl Nest Monitoring Officer. • 6 Pesticide Applicator • 2 Storage Officer. • 1 Baby sitter. • 1 Emergency team. • 4 residents in the housing area. • 1 SHE Officer • 1 Workshop Operator 	Labuhanbatu Regency, North Sumatera	-	Observation and Interview	4 Oct 2021	✓	
18	Sennah Estate: <ul style="list-style-type: none"> • 2 nursery Monitoring Officer. • 4 harvesters & loosefruit picker • 3 EFB Fertilizer Applicator • 2 Cencus Officer • 1 Barn Owl Nest Monitoring Officer. • 5 Pesticide Applicator • 2 Storage Officer. • 2 Baby sitter. • 1 Emergency team. • 4 residents in the housing area. • 1 SHE Officer • 1 Workshop Operator 	Labuhanbatu Regency, North Sumatera	-	Observation and Interview	4 Oct 2021	✓	
19	World Wide Fund	Labuhanbatu Regency, North Sumatera	wwf-indonesia@wwf.or.id	Via email	28 September 2021		✓
20	Wahana Lingkungan Hidup Indonesia	Labuhanbatu Regency, North Sumatera	informasi@walhi.or.id	Via email	28 September 2021		✓
21	Sawit Watch	Labuhanbatu Regency, North Sumatera	info@sawitwatch.or.id	Via email	28 September 2021		✓

22	Aliansi Masyarakat Adat Nusantara	Labuhanbatu Regency, North Sumatera	rumahaman@cbn.net.id	Via email	28 September 2021		✓

Appendix 2. Assessment Program
Remote Audit ASA-1.3

DATE	30 November – 01 December 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 30 November 2020		
08.00 – 08.30	Opening Meeting Preparation	
08.30 – 09.00	Opening meeting (recorded video conference) <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
09.00 – 12.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification 	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"> Break 	All Auditor
14.00 – 16.15 16.15 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Presentation of Daily Progress. 	All Auditor
Tuesday, 01 December 2020		
08.00 – 12.00	<ul style="list-style-type: none"> Document review and completing audit checklist. 	All Auditor
12.00 – 15.30	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
15.30 – 16.30	Closing Meeting (recorded video conference) <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions 	All Auditor

ONSITE AUDIT ASA-13 + ASA-1.4

DATE	03 – 09 October 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 3 October 2021		
07.40 – 10.10	JAKARTA → KUALA NAMU (GA 182)	All Auditor
10.10 – 18.00	From the airport to the audit location in Labuhanbatu District	All Auditor
Monday, 4 October 2021		
08.00 – 09.00	OPENING MEETING VIRTUAL <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	Management of Unit Certification
09.00 – 12.00	Field Observation to Pangkatan Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV; Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place). 	All Auditor HHS RPJ & MIA ART
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> Stakeholders consultation by phone to related agencies Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners by phone Interview by phone with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any) Document Verification 	All Auditor
Tuesday, 5 October 2021		
08.00 – 12.00	Field Observation to Bilah Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV; Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place). 	HHS RPJ ART & MIA
12.00 – 14.00	Break	
14.00 – 17.00	Field observation to Pangkatan POM	HHS

DATE	03 – 09 October 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge) Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO) Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond & land application 	RPJ & MIA ART
Wednesday, 6 October 2021		
08.00 – 12.00	Field Observation to Sennah Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV; Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place). 	HHS RPJ & MIA ART
12.00 – 14.00	Break	All Auditor
14.00 – 16.00	Continuing stakeholder consultation (if anything was not done the previous day)	
16.00 –	Auditor travels from audit site to Medan and stays in Medan	
Thursday, 7 October 2021		
08.00 – 12.00	Continue document verification via online from Medan	All Auditor
12.00 – 14.00	Break	
14.00 – 17.00	Continue document verification via online from Medan	All Auditor
Friday, 8 October 2021		
08.00 – 09.00	Auditor doing PCR swab test in Medan	All Auditor
09.00 – 12.00	Continue document verification via online from Medan	All Auditor
12.00 – 14.00	Break	
14.00 – 17.00	Continue document verification via online from Medan	All Auditor
17.00 – selesai	Interim Meeting (closing meeting preparation)	All Auditor
Saturday, 9 October 2021		
08.00 – 10.00	CLOSING MEETING VIRTUAL <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion) Comments, Responses and Questions 	All Auditor
10.00 – 12.00	Travel from hotel to airport	All Auditor
16.25 – 18.50	KUALA NAMU → JAKARTA (GA121)	All Auditor