

*Roundtable on Sustainable Palm Oil Certification
RSPO*

[✓] Initial Certification

Name of Management Organisation : Pagar Merbau Palm Oil Mill PT Perkebunan Nusantara II subsidiary of PT Perkebunan Nusantara III
 Plantation Name : PT Perkebunan Nusantara II - Tanjung Garbus Estate
 Location : Village of Pagar Merbau III, Sub District of Pagar Merbau, District of Deli Serdang, Province of Sumatera Utara, Indonesia
 Certificate Code : **MUTU-RSPO/175**
 Date of Certificate Issue : 19 October 2022 Date of License Issue : 19 October 2022
 Date of Certificate Expiry : 18 October 2027 Date of License Expiry : 18 October 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	24 to 28 January 2022	Moh Arif Yusni (Lead Auditor), Afiffuddin, Radytio Puspanjana, Firda Tarunajaya (Observer)	Harso Yuli Antena	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	19 October 2022

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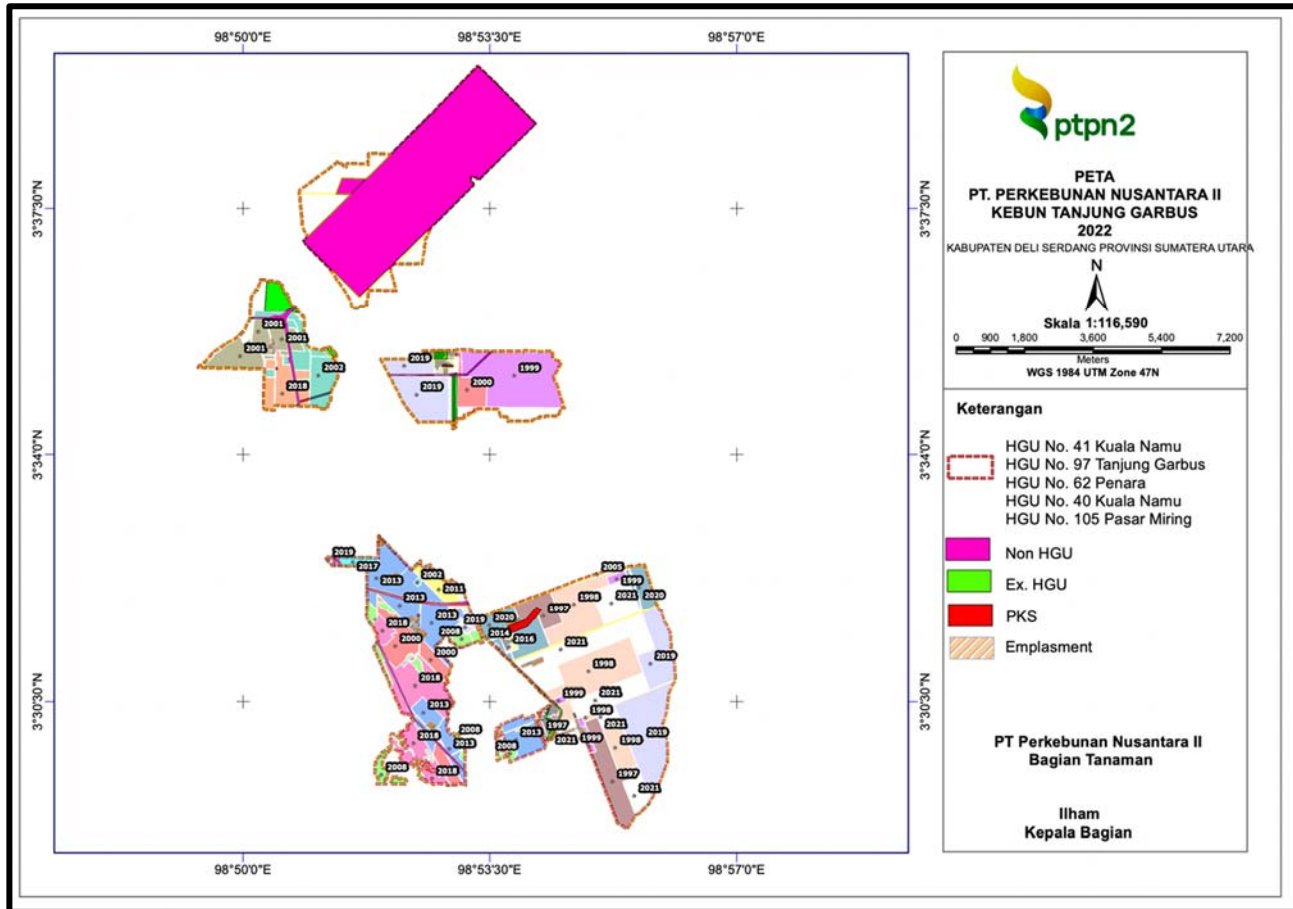
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Figure 2. Operational Map of PT Perkebunan Nusantara II - Pagar Merbau Palm Oil Mill



Abbreviations Used

AK3	:	<i>Ahli Keselamatan dan Kesehatan Kerja</i> / OHS Expert
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Administrator
CLA	:	Collective Labour Agreement
CPO	:	Crude Palm Oil
DEMNAS	:	Digital Elevation Model Nasional
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse Gases
HGU	:	<i>Hak Guna Usaha</i> / Cultivation Rights
HIRADC	:	Hazard Identification Risk Assessment Determining Control
HIRAC	:	Hazard Identification, Risk Assessment, Control
KTU	:	Head of Administration
HCV	:	High Conservation Value
HP	:	Horse Power
ISPO	:	Indonesian Sustainable Palm Oil
IK	:	<i>Instruksi Kerja</i> / Work Instruction
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rendemen
KVA	:	Kilo Volt Ampere
KW	:	Kilo Watt
LD50	:	Lethal Dose 50% of Responses
LTA	:	Lost Time Accident
MSDS	:	Material Safety Data Sheet
OHS	:	Occupational Health and Safety
OER	:	Oil Extraction Rendemen
PKS	:	<i>Pabrik Kelapa Sawit</i> / Palm Oil Mill
PM	:	Pagar Merbau
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> / OHS Committee
PIC	:	Person In Charge
PPE	:	Personal Protective Equipment
PTPN II	:	PT Perkebunan Nusantara II
RKAP	:	<i>Rencana Kerja dan Anggaran Perusahaan</i> / Company Work Plan and Budget
RSPO	:	Roundtable on Sustainable Palm Oil
RSU	:	Rumah Sakit Umum / General Hospital
RBI	:	Rupa Bumi Indonesia
ST-1	:	Stage 1
SOP	:	Standard Operating Procedures
SCCS	:	Supply Chain Certification Standard
TBM	:	<i>Tanaman Belum Menghasilkan</i> / Immature
TM	:	<i>Tanaman Menghasilkan</i> / Mature
TGPM	:	Tanjung Garbus Pagar Merbau
USDA	:	United States Department of Agriculture
UKL-UPL	:	<i>Upaya Kelola Lingkungan – Upaya Pemantauan Lingkungan</i> / Environmental Management and

		Monitoring Plan
UPT PTPH		<i>Unit Pelaksana Teknis Perlindungan Tanaman Pangan dan Hortikultura</i>
WWTP	:	Waste Water Treatment Plant
WTP	:	Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<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 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Pagar Merbau Palm Oil Mill – PT Perkebunan Nusantara II Subsidiary of PT Perkebunan Nusantara III (Persero)	
1.2.2	Contact person	Mr. TS Manurung	
1.2.3	Organisation address and site address	Head Office : Jl. Raya Medan – Tanjung Morawa Km. 16, Tanjung Morawa – 20362, Deli Serdang District, Sumatera Utara Province, Indonesia.	
1.2.4	Telephone	(061) 7940055	
1.2.5	Fax	(061) 7940233	
1.2.6	E-mail	pml@ptpn2.com	
1.2.7	Web page address	www.ptpn2.com	
1.2.8	Management Representative who completed the application for certification	Mr. TS Manurung	
1.2.9	Registered as RSPO member	1-0030-06-000-00, 13 December 2006	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Pagar Merbau Mill and Tanjung Garbus Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Pagar Merbau POM	Village of Pagar Merbau III, Sub District of Pagar Merbau, District of Deli Serdang, Province of Sumatera Utara, Indonesia	N 03° 31' 32.17" E 98° 53' 52.26"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Tanjung Garbus Estate	Village of Tanjung Garbus I, Sub District of Lubuk Pakam, District of Deli Serdang, Province of Sumatera Utara, Indonesia	N 03° 31' 30.15" E 98° 52' 31.67"
1.5	Description of Area Statement		

1.5.1	Tenure	
	• State	4,657.29 Ha
	• Community	- Ha
1.5.2	Area Statement	
	• Total area	4,657.29 Ha
	• Mature area	2,352.34 Ha
	• Immature area	1,661.54 Ha
	• Nursery	5.00 Ha
	• Emplacements	70.97 Ha
	• Mill and biogas plant	14.00 Ha
	• Road	74.81 Ha
	• National Electricity Company (PLN) and gas pipe	23.92 Ha
	• Facilities and infrastructure (houses of worship, fields, and others)	37.95 Ha
	• Cemetery	2.37 Ha
	• Borders	0.14 Ha
	• Rivers	83.51 Ha
	• Others (Bamboo, etc.)	33.77 Ha
	• Garapan	296.97 Ha
1.6	Planting Year and Cycles	
1.6.1	Age profile of planting year	
	Planting Year	Hectarage (Ha)
		Tanjung Garbus Estate Total
	1997	202.50 202.50
	1998	499.29 499.29
	1999	359.08 359.08
	2000	227.42 227.42
	2001	163.92 163.92
	2002	178.98 178.98
	2005	9.16 9.16
	2008	119.58 119.58
	2011	70.03 70.03
	2013	493.20 493.20
	2014	6.00 6.00
	2016	2.00 2.00
	2017	21.18 21.18
	Sub Total Mature	2,352.34 2,352.34

1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (MT)				
	FFB Processed		-	-				
	CPO Production		-	-				
	Palm Kernel (PK) Production		-	-				
<i>will be verify during ASA-1</i>								
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (MT)						
	CSPO sold as RSPO certified product	-						
	CSPK sold as RSPO certified product	-						
	CSPO sold under other scheme	-						
	CSPK sold under other scheme	-						
	CSPO sold as conventional	-						
	CSPK sold as conventional	-						
<i>will be verify during ASA-1</i>								
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate	Total Area (Ha)	Planted / Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Tanjung Garbus	4,657.29	2,352.34	36,000	15.30			
	TOTAL	4,657.29	2,352.34	36,000	15.30			
<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 (%)	
	Pagar Merbau	30	36,000	8,000	22.22	1,440	4.00	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			-				
	Others			-				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units (will be completely later)							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Pulau Tiga (PTPN I)	2022	Pulau Tiga Estate	2022	Aceh Tamiang District, Aceh Province	Audited on 2022		

	Tanjung Seumantoh (PTPN I)	2022	Lama Estate	2022	Aceh Timur District, Aceh Province	-
			Baru Estate	2022	Aceh Timur District, Aceh Province	-
			Tualang Sawit Estate	2022	Aceh Timur District, Aceh Province	-
			Julok Rayeuk Selatan Estate	2022	Aceh Timur District, Aceh Province	-
	Cot Girek (PTPN I)	2022	Julok Rayeuk Utara Estate	2022	Aceh Utara District, Aceh Province	-
			Cot Girek Es-tate	2022	Aceh Utara District, Aceh Province	-
	Sawit Hulu (PTPN II)	2022	Sawit Hulu Estate	2022	Langkat District, Sumatera Utara Province	-
	Kwala Sawit (PTPN II)	2022	Kwala Sawit Estate	2022	Langkat District, Sumatera Utara Province	-
			Air Tenang Estate	2022	Langkat District, Sumatera Utara Province	-
	Sawit Seberang (PTPN II)	2022	Batang Serangan Estate	2022	Langkat District, Sumatera Utara Province	-
			Sawit Seberang Estate	2022	Langkat District, Sumatera Utara Province	-
			Tanjung Jati (Rayon) Estate	2022	Langkat District, Sumatera Utara Province	-
	Pagar Merbau (PTPN II)	2022	Tanjung Garbus Estate	2022	Deli Serdang District, Sumatera Utara Province	Audited on 2022
			Melati Estate	2022	Deli Serdang District, Sumatera Utara Province	-
			Patumbak Estate	2023	Deli Serdang District, Sumatera Utara Province	-
			Limau Mukur Estate	2023	Deli Serdang District, Sumatera Utara Province	-
			Tandem (Rayon) Estate	2023	Deli Serdang District, Sumatera Utara Province	-
	Sisumut (PTPN III)	2015	Sisumut Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
			Aek Nabara Utara Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
	Rambutan (PTPN III)	2016	Tanah Raja Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Certified
			Gunung Monaco Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Certified
			Silau Dunia Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Certified
			Sarang Ginting Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Certified
			Sei Putih Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Certified
			Rambutan Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Certified
			Bandar Betsy Estate	2022	Simalungun District, Sumatera	-

				Utara Province		
	Sei Daun (PTPN III)	2015	Sei Daun Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
			Bukit Tujuh Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
	Torgamba (PTPN III)	2015	Torgamba Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
	Sei Meranti (PTPN III)	2016	Sei Meranti Estate	2016	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
	Sei Silau (PTPN III)	2017	Sei Silau Estate	2017	Asahan District, Sumatera Utara Province	Certified
			Pulau Mandi Estate	2017	Asahan District, Sumatera Utara Province	Certified
			Ambalutu Estate	2017	Asahan District, Sumatera Utara Province	Certified
			Hutapadang Estate	2017	Asahan District, Sumatera Utara Province	Certified
	Sei Mangkei (PTPN III)	2017	Dusun Hulu Estate	2017	Batubara District, Sumatera Utara Province	Certified
			Bangun Estate	2017	Simalungun District, Sumatera Utara Province	Certified
			Gunung Para Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Certified
			Gunung Pamela Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Certified
			Sei Dadap Estate	2017	Asahan District, Sumatera Utara Province	Certified
	Sei Baruhur (PTPN III)	2018	Sei Baruhur Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
			Sei Kabara Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
	Hapesong (PTPN III)	2020	Hapesong Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	Certified
			Batang Toru Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	Certified
	Aek Nabara Selatan (PTPN III)	2014	Aek Nabara Selatan Estate	2014	Labuhan Batu District, Sumatera Utara Province	Certified
			Rantau Prapat Estate	2014	Labuhan Batu District, Sumatera Utara Province	Certified
			Merbau Selatan Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	Certified
			Membang Muda Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	Certified
			Labuhan Haji Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	Certified
			Bandar Selamat Estate	2014	Asahan District, Sumatera Utara Province	Certified
	Aek Torop (PTPN III)	2014	Aek Torop Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	Certified
	Aek Raso (PTPN III)	2014	Aek Raso Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	Certified

	Pabatu (PT PN IV)	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified
	Dolok Ilir (PT PN IV)	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified
			Laras	2018	Simalungun, Sumatera Utara	Certified
	Pulu Raja (PT PN IV)	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified
	Bah Jambi (PT PN IV)	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified
			Bah Jambi	2018	Simalungun, Sumatera Utara	Certified
			Marihat	2018	Simalungun, Sumatera Utara	Certified
			Bah Birung Ulu	2022	Simalungun, Sumatera Utara	-
			Marjandi	2019	Simalungun, Sumatera Utara	Certified
	2022	Simalungun, Sumatera Utara		Out of scope Certification 2 nd Stage Audit (30.0 Ha)		
	Dolok Sinumbah (PT PN IV)	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified
				2022	Simalungun, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (35.94 Ha)
			Balimbangan	2018	Simalungun, Sumatera Utara	Certified
	Mayang (PT PN IV)	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified
			Bukit Lima	2022	Simalungun, Sumatera Utara	-
	Gunung Bayu (PT PN IV)	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified
			Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified
	Tinjowan (PT PN IV)	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified
			Aek Nauli	2019	Simalungun, Sumatera Utara	Certified
			Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified
	Air Batu	2018	Air Batu	2019	Asahan, Sumatera Utara	Certified
			Air Batu	2022	Asahan, Sumatera Utara	Out of Scope certification 2 nd Stage Audit
	Berangir (PT PN IV)	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified
			Berangir	2022	Labuhan Batu Utara, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (10.0 Ha)

	Sawit Langkat (PT PN IV)	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified
			Sawit Langkat	2022	Langkat, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (301.50 Ha)
	Pasir Mandoge (PT PN IV)	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified on October 2018
			Sei Kopas	2020	Asahan, Sumatera Utara	Certified on October 2018
			Tonduhan	2020	Simalungun, Sumatera Utara	Certified on October 2018
			Sei Kopas (HPK)	2022	Asahan, Sumatera Utara	-
	Timur (PT PN IV)	2022	Timur	2022	Mandailing Natal, Sumatera Utara	-
			Balap	2022	Mandailing Natal, Sumatera Utara	-
	Ajamu (PT PN IV)	2021	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified
			Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified
			Panai Jaya	2022	Labuhan Batu Utara, Sumatera Utara	-
	Sosa (PT PN IV)	2022	Sosa	2022	Padang Lawas, Sumatera Utara	-
	PT Agro Sinergi Nusantara (PT PN IV)	2022	PT Agro Sinergi Nusantara	2022	Aceh Barat, Aceh	-
	PT Sinergi Perkebunan Nusantara (PT PN IV)	2022	PT Sinergi Perkebunan Nusantara	2022	Morowali Utara, Sulawesi	-
	Tandun (PT PN V)	2016	Tandun Estate,	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Berlian Estate	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Lindai Estate	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Lindai 98 ha	2021	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified

			Sei Berlian 866 ha	2023	Tapung Hulu District, Kampar District, Riau Province, Indonesia	-
	Sei Rokan (PT PN V)	2016	Sei Rokan Estate	2016	Rokan Hulu District, Riau Province, Indonesia.	Certified
	Sei Tapung (PT PN V)	2019	Sei Tapung	2019	Rokan Hulu District, Riau Province, Indonesia.	Certified
			Sei Siasam	2019	Rokan Hulu District, Riau Province, Indonesia.	Certified
			KUD Makarti Jaya	2022	Rokan Hulu District, Riau Province, Indonesia.	-
			KUD Karya Mukti	2022	Rokan Hulu District, Riau Province, Indonesia.	-
			KUD Dayo Mukti	2023	Rokan Hulu District, Riau Province, Indonesia.	-
			KUD Tani Sejahtera	2023	Rokan Hulu District, Riau Province, Indonesia.	-
	Sei Intan (PT PN V)	2019	Sei Intan	2019	Rokan Hulu District, Riau Province, Indonesia	Certified
	Tanjung Medan (PT PN V)	2022	Tanjung Medan	2022	Rokan Hilir District, Riau Province, Indonesia	-
	Tanah Putih (PT PN V)	2019	Tanah Putih	2019	Rokan Hilir District, Riau Province, Indonesia	Certified
	Lubuk Dalam (PT PN V)	2019	Lubuk Dalam	2019	Siak District, Riau Province, Indonesia	Certified
			Lubuk Dalam Plasma	2022	Siak District, Riau Province, Indonesia	-
	Sei Buatan (PT PN V)	2022	Sei Buatan	2022	Siak District, Riau Province, Indonesia	Certified
			Air Molek 1	2023	Siak District, Riau Province, Indonesia	-
			Air Molek II	2023	Siak District, Riau Province, Indonesia	-
			KUD Karya Darma	2023	Siak District, Riau Province, Indonesia	-
			KUD Tunas Karya	2023	Siak District, Riau Province, Indonesia	-
	Sei Galuh (PT PN V)	2023	Sei Galuh	2023	Kampar District, Riau Province, Indonesia	-
	Sei Pagar (PT PN V)	2019	Sei Pagar	2019	Kampar District, Riau Province, Indonesia	Certified
			Sei Pagar Plasma	2023	Kampar District, Riau Province, Indonesia	-
	Sei Garo (PT PN V)	2019	Sei Garo	2019	Kampar District, Riau Province, Indonesia	Certified
	Terantam (PT PN V)	2019	Terantam	2019	Kampar District, Riau Province, Indonesia	Certified
			Terantam 2 (725.44 ha)	2022	Kampar District, Riau Province, Indonesia	-

			Tamora	2023	Kampar District, Riau Province, Indonesia	-
			Sei Kencana	2023	Kampar District, Riau Province, Indonesia	-
			Sei Batu Langka	2023	Kampar District, Riau Province, Indonesia	-
	Rimbo Dua (PT PN VI)	2018	Rimbo Satu	2018	Jambi Province	Certified
			Rimbo Dua	2018	Jambi Province	Certified
			Batang Hari	2022	Jambi Province	-
	Bunut (PT PN VI)	2022	Bunut	2022	Jambi Province	-
	Ophir (PT PN VI)	2022	Ophir	2022	Sumatera Barat Province	-
			Pangkalan 50	2022	Sumatera Barat Province	-
	Aur Gading (PT PN VI)	2023	Durian Luncuk	2023	Jambi Province	-
	Solok Selatan (PT PN VI)	2023	Solok Selatan	2023	Jambi Province	-
	Tanjung Lebar (PT PN VI)	2022	Tanjung Lebar	2023	Jambi Province	-
			Bukit Cermin	2023	Jambi Province	-
	Bekri (PT PN VII)	2022	Bekri	2022	Lampung Province	Certified
			Rejosari	2022	Lampung Province	Certified
			Padang Ratu	2022	Lampung Province	Certified
	Betung (PT PN VII)	2022	Betung	2022	Lampung Province	Certified
			Bentayan	2026	Lampung Province	-
	Talang Sawit (PT PN VII)	2023	Betung Krawo	2023	Musi Banyuasin District, Sumatera Selatan Province	-
	Sungai Lengki (PT PN VII)	2023	Sungai Lengki	2023	Muara Enim District, Sumatera Selatan Province	-
	Kertajaya (PT PN VIII)	2022	Kertajaya	2022	Lebak District, Banten Province	Certified
			Cisalak Baru	2022	Lebak District, Banten Province	-
			Bojongdatar	2022	Lebak District, Banten Province	-
	Cikasungka (PT PN VIII)	2022	Cikasungka	2022	Bogor District, Jawa barat Province	-
			Sukamaju	2022	Sukabumi District, Jawa barat Province	-
	Gunung Meliau (PT PN XIII)	2022	Gunung Meliau	2022	Sanggau District, Kalimantan Barat Province	-
	Rimba Belian (PT PN XIII)	2023	Rimba Belian	2023	Sanggau District, Kalimantan Barat Province	-
			Gunung Mas	2023	Sanggau District, Kalimantan Barat Province	-
			Sungai Dekan	2023	Sanggau District, Kalimantan Barat Province	-
	Parindu	2023	Parindu	2023	Sanggau District, Kalimantan	-

	(PT PN XIII)				Barat Province	
	Luwu	2022	Luwu	2022	Luwu Timur, District, Sulawesi Tengah	-
			Keera-Maroon		Luwu Timur, District, Sulawesi Tengah	-
			Malili		Luwu Timur, District, Sulawesi Tengah	-
			Asera		Luwu Timur, District, Sulawesi Tengah	-
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard					
	There is no progress of Associated Smallholders and Out growers for Certifiable Standard.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
IC	<p>1. 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 course in 204, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO and ISPO Lead auditor refresher course in 2021 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 verifies Legality, Social and transparency.</p> <p>2. 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 in 2018. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. Aspect audit: long term management plan, Environment, HCV, GHG.</p> <p>3. Afiffuddin (Auditor). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor in 2018, RSPO SCCS in 2021, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He conducted an assessment on SCCS, worker welfare, BMP Agronomy and long-term budget.</p> <p>4. Firda Tarunajaya (Observer). Indonesian citizen, graduated in 2009 from the Department of Silviculture, Faculty of Forestry, Bogor Agricultural Institute. He has working experienced for 10 years since 2010 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Auditor ISPO, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), Occupational Health and Safety (ISO 45001 : 2018), ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. In this audit activity performs as an observer.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
IC	<p>Number of auditors: 3 Auditors and 1 Observer Number of days for IC: 5 days. Number of working days for IC: 15 Working days.</p>
2.2.2	Assessment Process
IC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Pagar Merbau POM, PT Perkebunan Nusantara II to the requirements of :</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

The scope of certification of consist of one mill (Pagar Merbau) and one (1) estate (Tanjung Garbus Estate). The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

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 and RSPO Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also considered 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 support from the unit management. The presentation of documents is presented quite well by involving related personnel.

Some opportunities for improvement of the results of assessment delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA 1. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification reports

The assessment program please find Appendix 2

2.2.3 Locations of Assessment

IC 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:

Pagar Merbau Mill

- **FFB weighing.** Observation of FFB reception and weighing administration.
- **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill.
- **WWTP.** Observation on WWTP, indication of waste overflow, OHS implementation, and interview with worker about worker welfare, and outlet POME disposal.

- **Solid Waste.** Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.
- **Methane capture/ Biogas Plan.** Observations and interviews related to POME management, employment, health checks, OHS, PPE and biogas utilization management.
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE, and waste management.
- **Empty bunch area.** Field observations related to empty bunch management.
- **Hazardous Waste Temporary Warehouse.** Field observations and interview related hazardous waste management, OHS and environmental aspect.
- **Spare part and lubricant Warehouse.** Field observations and interview related spare part management, OHS, and environmental aspect.
- **Chemical warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
- **Grading Station.** Observations related to occupational safety and health as well as established work procedures
- **Sterilizer Station.** Observations related to occupational safety and health as well as established work procedures
- **Engine Room Station.** Observations related to occupational safety and health as well as established work procedures
- **Boiler Station.** Observations related to occupational safety and health as well as established work procedures
- **Workshop.** Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.
- **Hydrant Simulation.** Observation related emergency preparedness

Tanjung Garbus Estate

- **Housing complex Division 7.** Observation related facilities for workers, sanitation, water, electricity, and domestic waste management.
- **Occupation Area Division 7,** observation related dispute area and conflict area
- **Body shower of spraying team and PPE pesticide storage division 1.** Observation the conditions body shower room and PPE handling.
- **Fire Fighting Facilities.** Observation and simulation the emergencies response facilities.
- **Fertilizer warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Housing Complex division 1.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **HCV 4.1 Riparian Area, Block 23 division 1.** Observation the implementation of management in HCV of riparian area, Batu Ginggaing river.
- **HGU stakes and land demarcation No. 33, No. 1 and 2.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Harvesting, Block 14 division 1.** 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 53, Afdeling 5, Planting year 2021.** Observation related replanting activity, soil managements and work procedure.
- **Transportation and EFB Application Block 52, Afdeling 5.** Observation of EFB management and biomass utility for fertilizer.
- **Harvest, Block 2 Afdeling 2.** Observation of activities related to technical aspects of harvesting, fruit quality, OHS aspects and employment (child labour).

	<ul style="list-style-type: none"> • Manual upkeep, block 10, Afdeling 2. Observation of activities related to technical aspects of manual upkeep, OHS aspects and employment. • Nursery. Observation and interview with workers related oil palm nursery, preparation of replanting, OHS and employment, on continuous improvement by drip and automatization irrigation
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
IC	<p>Summary of stakeholder consultation process Consultation of stakeholders for Pagar Merbau Mill was held by:</p> <ul style="list-style-type: none"> • Public Notification on website on RSPO website with notification date 24 November 2021 • Public Notification on website on MUTU website with notification date 24 November 2021 • Public consultation with NGOs (by email) such as WALHI, WWF, AMAN and Sawit Watch • Public consultation meeting with government institution 25 January 2022 • Public consultation meeting with communities on 25 January 2022 • Public consultation meeting with internal stakeholders and contractor 25 January 2022 <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara II Pagar Merbau Mill as part of this report</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	For annual surveillance audit will be conducted eight (8) month to twelve (12) month after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has assessed Pagar Merbau POM, PT Perkebunan Nusantara II operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicators; seven (7) nonconformities were assigned against Minor Compliance Indicators and nine (9) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Pagar Merbau POM, PT Perkebunan Nusantara II 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 Governors on 12 November 2020.**

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

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.	
<p>1.1.1 The general information about PT Perkebunan Nusantara II can be accessed publicly through the website listed above, if related to information in each business unit, the information can be accessed by providing a request letter of information to the business unit. Based on the results of interviews with relevant stakeholders it is known that the stakeholders already know the procedure for requesting information such as by submitting a request for information and can be easily accessed. Publicly available can be seen in company website (https://ptpn2.com/) such as sustainability policy, grievance procedure and other public informations</p> <p>The company shows evidence of providing information to stakeholders, including:</p> <ul style="list-style-type: none"> • Report on the preparedness of systems, facilities and infrastructure for controlling plantation fires in first semester of 2021 which was submitted on July 4th, 2021, to the Plantation Service of Sumatera Utara Province • Report on the preparedness of systems, facilities and infrastructure for controlling plantation fires in first semester of 2021 which was submitted on July 4th, 2021 to the District Plantation Office. Deli Serdang • P2K3 Report of the Pagar Merbau POM Unit in the fourth quarter of 2021 which was submitted in December 2021 to the Supervision of the Regional II Manpower Office of Sumatera Utara Province • P2K3 Report of Tanjung Garbus Plantation Unit in the Fourth Quarter 2021 which was submitted on January 21th, 2022 to the Supervision of the Regional II Manpower Office of Sumatera Utara Province • RKL-RPL semester I 2021 report and report receipt from environmental agency of Deli Serdang Regency on November 22, 2021. • Quarterly reports of POME and hazardous waste for the third quarters of 2021 and receipt of reports from environment agency of Deli Serdang Regency on January 4, 2022. • Mandatory Employment Report in the Company, No. Reporting: 20551.20210826.0001, PT Perkebunan Nusantara II Tanjung Garbus Estate Pagar Merbau Mill, Reporting Date 26 August 2021, Obligation to Report Back on 26 August 	

2022

- Receipt for *Pencatatan Perjanjian Kerja Waktu Tertentu* Tanjung Garbus Estate to the Deli Serdang Regency Manpower Office for 16 workers, March 29, 2021.

1.1.2

The Information provide on *Bahasa Indonesia*, how to submit an application can be oral, email, fax, telephone and a direct visit to the office. Based on the results of document review and interviews with agencies, such as the Deli Serdang Regency Plantation Service, the Environment Service, Land Office and Manpower Office, it is known that the information presented by the certification unit has been presented in an appropriate language and can be accessed by the agency.

1.1.3

The unit of certification shows the Log Book of Request for Providing Information on the Plantation Work Unit / Pagar Merbau Mill, for example the one shown in the October 2020 period, which explains the requesting party, date of entry, requested information, person in charge, follow-up, description, date of submission, initial PIC and additional information.

For example, there is an incoming letter from the Beringin Sub-district number 525/050 dated 26 January 2021 regarding a request for data from the Estate unit in the form of a legalized copy of the HGU, a legalized copy of the HGU map and the HGU sorting boundary. Then the plantation unit forwarded the letter dated 26 January 2021 to the office of the board of directors because the unit was not authorized to provide the requested information.

1.1.4

The company shows the SOP document for Stakeholder Communication and Consultation, document number SOP-SEP-006, No. Revision 00, published date November 12, 2020, which among other things explains that management documents stipulated in the RSPO Principles and Criteria are available to the public according to their authority.

This procedure has been explained to all relevant stakeholders, including those shown in the document Socialization Communication & Consultation with stakeholders on 23 November 2020 and attended by 23 participants including village heads and community leaders.

Base on interview with representative stakeholder (regency goverment) and nearest community is known the company has been able to prove that mandatory reports have been reported routinely to the relevant agencies.

1.1.5

The company shows the document for determining the PIC of updating the list of stakeholders (estate) according to the letter of determination of PIC monitoring and updating of RSPO data No. Letter 2.TGP/2.4/79/VI/2021 dated 15 June 2021. Based on the letter, the renewal of the stakeholder list is carried out according to the period of the RSPO audit activity, while the PIC who does the renewal is the HR Assistant/general.

The company shows the document for determining the PIC of updating the list of stakeholders (POM) according to the letter of determination of PIC monitoring and updating of RSPO data No. Letter 2.TGP/2.4/90/VI/2021 dated 23 June 2021. Based on the letter, the renewal of the stakeholder list is carried out according to the period of the RSPO audit activity, while the PIC who does the renewal is the HR Assistant/general.

The company shows the document of the Tanjung Garbus Estate Pagar Merbau POM Stakeholder List, PT PN II, dated January, 2021, with 15 stakeholders consisting of:

1. Government of Tanjung Garbus Village I
2. Government of Tanjung Garbus Village II
3. Pagar Merbau Sub-District Government
4. Lubuk Pakam Sector Police
5. Environmental Service of Deli Serdang Regency

6. Land Office of Deli Serdang Regency
7. Agriculture Office of Deli Serdang Regency
8. Manpower Office of Deli Serdang Regency
9. Environmental Office, Sumatera Utara Province
10. Forest Office of Sumatera Utara Province
11. Manpower Office of Sumatera Utara Province
12. Plantation Office of Sumatera Utara Province
13. Natural Resources Conservation Center of Sumatera Utara Province
14. PTPN II Plantation Workers Union, TGPM Plantation Unit
15. PTPN II Plantation Workers Union Mill TGPM Unit

The company shows a list of contractors, including the following:

POM

1. CV Makmur Jaya
2. CV. Berkah Sukses Sentosa
3. PT Medan Wave
4. CV Andalan Jaya
5. PT Mitra Jaya Agung Makmur
6. CV Berkah Sukses Sentosa
7. CV Citra Sejati
8. PT Bina Multi Instrumindo
9. CV Barito.

Tanjung Garbus Estate

1. CV Putra Binjai
2. CV Karya Sentosa
3. CV Anugrah
4. PT Panorama Agung Sejati
5. PT Dewa Barat Sentosa
6. PT Mitra Jaya Agung Makmur
7. PT Kiat Manunggal Guna Persada
8. PT Semut Merah Beriring
9. PT Teratai Barokah Bintang Utama

Regarding the list of stakeholders owned by the company, it is encouraged to update it regularly regarding the stakeholder, contact number and level of interest with the company. In example:

- Hazardous waste management contractors PT Sumatera Deli Lestari Indah and PT Indostar Agro. Gender committee.
- Consultant PT Koompasia enviro institute
- Pagar Merbau Village I.
- Kuala Namu Emplasmen Village.
- Perbarakan Village.
- Department of Industry and Trade Legal Metrology Regional Technical Implementation Unit.

Based on explanation above its became OFI.

Status: Comply

1.2

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

1.2.1

The company demonstrates a policy to act ethically, which is implemented in all business operations and transactions, including

recruitment and contracts, which is stated in the *Kebijakan Sistem Manajemen Perusahaan* (Company's Management System Policy) document, which was signed by the Director on November 10, 2021. This policy among others, states that:

- Management is committed to implementing applicable laws and regulations and other requirements to be integrated into the implementation of business activities.
- Management is committed to behaving ethically in business in all business transactions and operations, prohibiting all forms of corruption, bribery and fraud in the use of funds and resources.

The company has also implemented business ethics in the involvement of contractors. This can be seen in the clauses of the agreement with the contractor, among others, as shown in the Contract Agreement for Procurement and Installation of Grade Chamber Pumps with a Capacity of 60 M³/Hour C/W Elmot at Pagar Merbau POM with PT Medan Wave, number 2.4/SPP/411/VIII /2021, dated August 12, 2021. In article 14 regarding Termination of the Agreement and its Legal Consequences and article 15 related to Business Ethics, it has been explained that the company can unilaterally terminate this agreement if the second party is or has been investigated by the authorities or the company's internal control for allegations related to violations of criminal acts of corruption and/or bribery and/or committing other violations as stipulated in article 15 paragraph 3 such as giving/promising/receiving something, directly or indirectly, in the form of money, goods, gifts, commissions, or facilities others related to the position, authority, power to any party with the intention of influencing the implementation of this agreement.

1.2.2

The company demonstrates a system to monitor compliance and the implementation of policies and ethical business practices, which are listed in the SOP document for Internal Audit of the Management System, document number SOP-TEK-041, No. Rev. 00, published date November 12, 2020, which among others refers to the ISO 37001 Standard (Anti-Bribery Management System).

Based on the results of the review of work agreement documents with contractors, for example, regarding Maintenance of Oil Palm Plants Afdeling I-VII Tanjung Garbus Estate Pagar Merbau POM PT PN II Semester I Year 2021, number 2.TGP/2.3/PPAB/004/SM I/2020 SPJ : 2.3/SPJ/085/II/2021, with Beni Suardi (CV Karya Sentosa), dated February 23, 2021, it is known that in article 16, it is explained related to business ethics including that each party upholds integrity and supports the efforts of the Government of the Republic of Indonesia to eradicate corruption by complying with all provisions of Law Number 31 of 1999 concerning Eradication of Criminal Acts of Corruption as amended by Law No. 20 of 2001 concerning Amendments to Law No. 31 of 1999 concerning Eradication of Criminal Acts of Corruption and its implementing regulations. In addition, it is also explained that each party is prohibited from giving/promising/receiving anything, directly or indirectly, whether in the form of money, goods, gifts, commissions or other facilities related to position, authority, power to any party with the intention of influencing the implementation of the agreement. In this case, each party immediately notifies the other party if it finds any form of violation in the implementation of this agreement.

	Status: Comply	
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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 can show evidence of several compliances with laws and regulations, including:

- UU 23 of 1997 concerning Environmental Management.
- UU 5 of 1990 concerning the conservation of living natural resources and their ecosystem.
- Presidential Decree 32 of 1990 regarding the management of protected areas.
- Law 32 of 2009 on Environmental Protection and Management.
- PermenLH 11 of 2006 concerning types of business plans and / or activities that must be accompanied by an analysis of environmental impacts.

- KepmenLH 45 of 2005 concerning guidelines for the preparation of reports on the implementation of environmental management plans and environmental monitoring plans.
- Permentan 5 of 2018 concerning land clearing and / or processing of plantation land without burning.
- PermenLHK 68 of 2016 concerning the quality standard of domestic waste water.
- PermenLH No. 5 of 2014 effluent quality standards.
- PP 82 of 2001 Water quality management and water pollution control.
- Government Regulation 43 of 2008 concerning Groundwater
- Minister of Health Regulations number 32 of 2017 concerning environmental health quality standards and water health requirements for hygiene sanitation purposes
- Government Regulation number 41 of 1999 concerning air pollution control.
- Ministry of Environment and Forestry Regulation number 21 of 2008 concerning the quality standard of emission from immovable sources for businesses and / or activities of thermal power plants.
- Ministry of Environment and Forestry Regulation number 21 of 2008 concerning the quality standard of emission from immovable sources for businesses and / or activities of thermal power plants.
- Government Regulation number 101 of 2014 concerning Management of Hazardous and Toxic Waste.
- Government Regulation number 38 of 2011 regarding rivers.
- The company has personnel who have obtained AK3 Electricity and SIO Power and Production Aircraft certifications.
- The company has personnel who have been certified as First Aid Officers in the Workplace. The company has personnel who have obtained AK3U certification

The company demonstrates compliance with labor regulations, including:

- Mandatory Employment Report in the Company, No. Reporting: 20551.20210826.0001, PT Perkebunan Nusantara II Tanjung Garbus Estate Pagar Merbau Mill, Reporting Date 26 August 2021, Obligation to Report Back on 26 August 2022
- Receipt for Pencatatan Perjanjian Kerja Waktu Tertentu Tanjung Garbus Estate to the Deli Serdang Regency Manpower Office for 16 workers, March 29, 2021.
- Based on the results of the document review, for example the Work Order document signed by the employee and the Overtime List document (monthly recap) as well as the Employee Wage Slip, it is known that there is no forced overtime by the company to workers. For example, the Work Order in the name of YT (initials) signed by the person concerned, an employee of the Tanjung Garbus Estate office, for the period 21 November – 20 December 2021, which explains the actual overtime hours for 14 hours. Based on the employee's Overtime List document, which explains the overtime recapitulation and calculation, it is known that the actual hours of overtime are 14 hours, where the first 1 hour of overtime is multiplied by 150% and the second and third overtime hours are multiplied by 200%, so the total overtime hours paid are 21 hours. Based on the results of the review of the salary slip document for the December 2021 period, it is known that the overtime payment has been in accordance with the calculations shown and in accordance with the regulations regarding overtime pay.

The company demonstrates compliance with environment regulations, including:

- SEL (environmental evaluation study) document for the scope of factory and estate studies which has been approved by the Secretary General of the Ministry of Agriculture on 5 May 1993.
- ANDAL document (RKL-RPL) for the Pagar Merbau POM from the Regional Environmental Impact Management Agency number 06046 / BPD / DS / 2005 dated 10 June 2005 for the scope of the reliable ANDAL study (RKL-RPL) covering an area of 4,789.69 Mill processing capacity of 30 tons / hour.
- Approval letter for revision of RKL-RPL for Pagar Merbau POM from the Regional Environmental Impact Management Agency number 06046 / BPD / DS / 2005 on 10 June 2005 for the scope of reliable ANDAL study (RKL-RPL) covering an area of 4,789.69 Mill processing capacity 30 ton / hour.
- Environmental Permit for Oil Palm Mill Liquid Waste Utilization Activities for 1 MW Biogas Power Plant by PT Perkebunan Nusantara II (Persero) Pagar Merbau Business Unit in Pagar Merbau III Village, Pagar Merbau District, Deli Serdang Regency with Number 484 of 2015 on March 23, 2015.

Compliance with Legal Aspect

- Total area manage by company 4,657.29 ha.
 - HGU Certificate number 62 covering an area 553.02 Ha
 - HGU Certificate number 40 covering an area 661.083 Ha
 - HGU Certificate number 41 covering an area 287.756 Ha
 - HGU Certificate number 97 covering an area 1,223.1 Ha
 - HGU Certificate number 105 covering an area 1,952.32 Ha

2.1.2

Procedure of legal requirement which presented in SOP *Identifikasi Dan Evaluasi Serta Kompilasi Peraturan Perundang-Undangan* (SOP- SEP-007 dated 08 February 2021) with the aims to ensuring that all laws and regulations relevant to the company's business activities have been properly identified and implemented.

The implementation of this procedure is the issuance of a law register document containing regulations that must be fulfilled and relevant to the company's operational activities, The law register is divided into several aspects, namely: Occupational safety and health, the environment, employment, social, HCV and permits. To ensure whether there are additions and subtractions to relevant regulations, a review is conducted every once a year with the last update on December 2021

To ensure compliance with the certification unit and third-party laws in the certification unit, routine monitoring is carried out once a year by means of compliance audit / internal audit. The last internal audit for RSPO and SCCS was conducted in October 2021.

2.1.3

Boundaries poles monitoring ruled in the procedure of installment, maintenance, and monitoring boundaries poles (SOP-TEK-058 rev 00 dated 29 November 2021) with the aim as a guide to ensure boundaries of land title (HGU/HGB) in the PT Perkebunan Nusantara II Operational area). Based on the procedure it was known boundaries monitoring was carried out twice a year.

PT PN II Unit Tanjung Garbus has been inventoried the presence of boundaries poles, based on identification it was known there were 10 poles available in the field where should be 95 poles. Against not the existence of boundaries pole, the certification unit has had a plan to fulfill all boundaries plan with coordination National Agencies and its evidence with the plan the installments to comply of boundaries poles as described in the following table:

Division	Numbers of Poles	Target
1 & 2	30	December 2022
3	23	December 2023
4,5 & 6	13	December 2023
7	22	December 2024

Based on explanation above the company encouraged to realize the installment of boundaries stone in accordance with the program which developed (OFI).

Based on the result of field observation HGU stakes and land demarcation No. 33, 1 and 2, it is known that HGU stakes are found and under monitored conditions.

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

A list of contractors is available, some of which are listed in the Pagar Merbau POM Partner/Contractor List 2021 document, which explains the type of work, vendor name, name and contact of the vendor representative. Based on this document, it is known that there are 8 vendors collaborating with mill, which include the type of CPO transportation work, procurement of Empty Bunch Crusher Gearbox & Elmot 20 HP and others.

For estate units, it is known that there are 23 vendors who work together, which include the types of maintenance work for mature plant and immature plant, nursery maintenance, transporting FFB, replanting and others.

For example, on behalf of PT Bina Multi Instrumindo for this type of work, procurement and installation of automatic capacitor bank installations for PLN panels, with vendor name LI (initials) and also address and contact information.

2.2.2

The company shows contract documents which have separate clauses regarding the fulfillment of relevant legal obligations, including but not limited to the application of minimum wages, provision of PPE and involving workers in the BPJS Health and Employment program, which are listed in:

- Agreement Letter Pemel TM (Mature Plant Upkeep) Palm Oil Afdeling I – VII Tanjung Garbus Estate Pagar Merbau POM PT PN II Semester I, No. 2.TGP/2.3/PPAB/004/SM I/2020, 23 February 2021, with CV Karya Sentosa, article 14 regarding the obligations of the parties.
- Letter of Agreement number DIR/SPJA/04/VI/2021 between PT PN II and CV Barito regarding Transportation of CPO Production PT PN II, dated June 29, 2021, article 10 regarding obligations of the second party.

Based on the results of interviews with representatives of contractors and a review of work agreement documents, such as the FFB transport contractor by CV Anugerah, the replanting contractor by PT Semut Merah Beriring and the maintenance contractor by PT Kiat Manunggal Persada, it is known that the work agreement has its own clause regarding the fulfillment of legal obligations relevant and this is known to the contractors. However, regarding the fulfillment of the relevant legal obligations, it has not been proven either by the third party concerned or by the company.

The company has not been able to show proof that the fulfillment of relevant legal obligations by third parties/contractors has been fulfilled in accordance with the agreement. **Based on explanation above its became Non Conformity No 2022.01 with Minor Category**

2.2.3

The company shows contract documents that have separate clauses that prohibit practices involving child labour, forced labor and workers from trafficking in persons, which include:

- Agreement Letter Pemel TM (Mature Plant Upkeep) Palm Oil Afdeling I – VII Tanjung Garbus Estate Pagar Merbau POM PT PN II Semester I, No. 2.TGP/2.3/PPAB/004/SM I/2020, 23 February 2021, with CV Karya Sentosa, article 14 regarding the obligations of the parties.
- Letter of Agreement number DIR/SPJA/04/VI/2021 between PT PN II and CV Barito regarding Transportation of CPO Production PT PN II, dated June 29, 2021, article 10 regarding obligations of the second party.

Based on the results of interviews with contractor representatives and a review of work agreement documents, such as the FFB transport contractor by CV Anugerah, the replanting contractor by PT Semut Merah Beriring and the maintenance contractor by PT Kiat Manunggal Persada, it is known that the work agreement has a separate clause that prohibits practices involving child labour, forced labor and trafficking in persons.

However, regarding this matter, it has not been proven either by the third party concerned or by the company.

The company has not been able to show evidence that practices involving child labor, forced labor and workers from human trafficking by third parties/contractors have been complied with in accordance with the agreement. **Based on explanation**

above it became Non Conformity No 2022.02 with Minor Category.						
2.2.2	Status: Non-Conformity No.2022.01 with minor category					
2.2.3	Status: Non-Conformity No.2022.02 with minor category					
2.3						
All FFB supplies from outside of the unit of certification are from legal sources.						
2.3.1						
Based on documents verification, interview with managements and field observation in weighbridge station it was known the entire FFB process in Pagar Merbau POM originally from own estate under the scope of certification (Tanjung Garbus Estate) and other sources from the estates under management of PT Perkebunan Nusantara II (Bandar Kippa Estate, Melati, Limau Mungkur, Patumbak, Tandem, Tanjung Jati) which planned to be certified as mentioned in Time-Bound Plan.						
2.3.2						
As mentioned in indicator 2.2.2 FFB was processed in Pagar Merbau originally from own estate under the scope of certification (Tanjung Garbus Estate) and other sources from the estate under the management of PT Perkebunan Nusantara. There is no FFB from indirectly sourced FFB (collection centers, agents, or other intermediaries).						
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 the long-term management plan for Tanjung Garbus Estate and Pagar Merbau POM as follows:						
<ul style="list-style-type: none"> Long Term Plan of Tanjung Garbus Estate for the period 2022 – 2026 signed by the Manager, explaining the area of TM, FFB Production, Crop Productivity, Production Costs which include harvest and transportation costs and plant maintenance costs including fertilizer, production costs, and replanting plans 						
NO	DESCRIPTION	2022	2023	2024	2025	2026
1	Area (Mature)	2,731.41	3,311.69	3,506.71	3,506.71	3,506.71
2	Production (Ton)	39,311.23	48,628.630	52,711.410	54,855.90	54,855.90
3	Yield (Ton/Ha)	14.39	14.68	15.03	15.64	15.64
4	Replanting (Ha)	73.60	489.51	-	313.51	216.59
<ul style="list-style-type: none"> Pagar Merbau POM Long Term Plan for the period 2022 – 2026 signed by the Manager explains the projected FFB processing, CPO, and Kernel production projections, FFB and Kernel extraction projections as well as the estimated production costs of CPO & PKO, as follows 						
NO	DESCRIPTION	2022	2023	2024	2025	2026
1	FFB (Ton)	102,077	107,181	112,540	118,167	124,075
2	CPO (Ton)	22,457	23,580	25,321	26,588	28,537
3	Kernels (Ton)	4,287	4,609	4,952	5,318	5,583
4	OER	22.00	22.00	22.50	22.50	23.00
5	KER	4.2	4.3	4.4	4.5	4.5
6	HPP (Rp/Kg CPO)	854.57	854.57	835.58	835.58	817.42
7	HPP(Rp/Kg PKO)	497.37	485.80	474.76	464.21	464.21
Based on interviews with management, it is known that there is no plasma						
3.1.2						
Based on the area statement data, it is known that the distribution of planting years at PT. Perkebunan Nusantara II is 1997 to 2017. Based on the area statement data, it can be explained that the oldest plant in PT. Perkebunan Nusantara II is 25 years						

old. The company can show the replanting program per year which is projected for at least the next five years, as follows

NO	DESCRIPTION	2022	2023	2024	2025	2026
1	Area (Mature)	2,731.41	3,311.69	3,506.71	3,506.71	3,506.71
2	Production (Ton)	39,311,230	48,628,630	52,711,410	54,855.90	54,855.90
3	Yield (Ton/Ha)	14.39	14.68	15.03	15.64	15.64
4	Replanting (Ha)	73.60	489.51	-	313.51	216.59

3.1.3

The company shows the recorded memorandum No. 2. PPM/M/217/X/2021 dated October 2nd, 2021, addressed to the Head of the Internal control Unit Section regarding the follow-up report on the findings of the report Pagar Merbau POM Internal Control Unit No. R.55/LHA.PPM/IX/2021 inspection period from February to July 2021. The follow-up report is a follow-up report on the findings and recommendations from Internal Control Unit, including the yield achievement under RKAP, capacity by (tons of TBS/hour) under Company Work Plan and Budget, some of the FFB sent to the factory did not meet the criteria for ripe harvest, the cash balance exceeded company regulations, and absentee employees received processing premiums.

In addition, the company held a management review meeting on 26th, October 2020 to discuss the achievements and problems of 2021 and the follow-up progress, including regarding ISPO & RSPO external audit activities, evaluation of 2021 workforce needs, results of OHS monitoring, and evaluation of factory performance. In addition, the company has several targets including achieving RSPO certificate in first semester 2022, CPO yield of 22.67%, and PKO yield of 4.3%.

Status: Comply

3.2

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

3.2.1

The company shows a follow-up report as a follow-up to the audit report from Internal Control Unit No. R-55/LAH.PPM/IX/2021, including:

- Efforts to increase the yield of CPO, including:
 - Create a maintenance program to suppress stagnation
 - Controlling the boiling system at least 2.5 kg/cm²
 - Standardize the Thresher speed from 19 rpm to 22.5 – 23 rpm
- Efforts to achieve processing capacity according to RKAP:
 - Making additional capstans units in the FFB filling line to the lorry
 - Installation of 1 LP 17. press unit
 - Maximizes loading of FFB into lorries up to 2.5 tons/lorry
- Efforts to maintain the quality of processed FFB, including FFB that come in after 19.00 hours, are sorted the next day

3.2.2

Base on document verification, for The RSPO metric template known annual data 12 month period use (January until December 2021) for schedule reporting annual data social and environmental, included monitoring data of water consumption, management dan monitoring HCV. Some of detail data where verified i.e :

- Scope of certification: 4,657 Ha.
- CB: PT Mutu Agung Lestari
- HCV area: 86 Ha

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company shows SOP related to oil palm cultivation practices, including:

- SOP of Harvesting
- SOP of Transporting FFB and Empty Fruit Bunches
- SOP of River Border Criteria
- SOP of IPM
- SOP of Mature and Immature area maintenance
- SOP of Fertilization
- SOP of Soil and Leaf Analysis
- SOP for Use of Hazardous Chemicals
- SOP for Use of the Rinse House
- SOP of Replanting
- SOP of Handling Certified Palm Oil Products

In addition, the company shows SOP related to FFB processing, including:

- SOP of Palm Oil Processing
- SOP of Wastewater Installation Maintenance
- SOP of Wastewater Installation Environmental Monitoring
- SOP of Measuring POM Wastewater Quality
- SOP of Delivery of Finished Products from POM
- SOP of Handling and Storage of Hazardous Waste
- SOP of FFB Analysis
- SOP of each FFB Processing Station in POM

3.3.2

As a mechanism to check the implementation of procedures consistently, the company shows the internal audit procedure of the management system no. SOP-TEK-048 which aims to ensure that the internal audit of the management system is planned systematically and carried out effectively at PT. Perkebunan Nusantara II. In addition, there is a SOP for corrective action no. SOP-TEK-042 which regulates and ensures that any non-conformances and potential non-conformities can be followed up effectively at PT. Perkebunan Nusantara II.

The company shows the inspection realization document of PT. Perkebunan Nusantara II, including the recording of memorandum No. 2. PPM/M/217/X/2021 dated October 2nd, 2021 addressed to the Head of the SPI Section regarding the follow-up report on the findings of the daily report Pagar Merbau POM Internal Control Unit No. R.55/LHA.PPM/IX/2021 inspection period from February to July 2021. The follow-up report is a follow-up report on the findings and recommendations from Internal Control Unit, including the yield achievement under Company Work Plan and Budget, capacity by (tons of TBS/hour) under Company Work Plan and Budget, some of the FFB sent to the factory did not meet the criteria for ripe harvest, the cash balance exceeded company regulations, and absentee employees received processing premiums.

In addition, the company held a management review meeting on October 26th, 2020, to discuss the achievements and problems of 2021 and the follow-up progress, including regarding ISPO & RSPO external audit activities, evaluation of 2021 workforce needs, results of OHS monitoring, and evaluation of factory performance. In addition, the company has several targets including achieving RSPO certificate in first semester 2022, CPO yield of 22.67%, and PKO yield of 4.3%

3.3.3

Based on the report on the results of the Internal Control inspection on the performance of POM with the document number R.55/LHA.PPM/IX/2021, there are discrepancies and recordings of the progress of the improvement, including:

NO	NON-CONFORMITY	FOLLOW UP																		
1	Achievement of OER under Company Work Plan and Budget	<ul style="list-style-type: none"> On 29th Oct 2021 OER 20.80% (still below Budget) Maintenance efforts to reduce stagnation rates <table border="1"> <thead> <tr> <th>Progress 2021</th> <th colspan="2">Stagnation (%)</th> </tr> <tr> <td></td> <th>This Month</th> <th>To This Month</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>4.30</td> <td>4.40</td> </tr> <tr> <td>August</td> <td>12.14</td> <td>5.42</td> </tr> <tr> <td>September</td> <td>5.13</td> <td>5.38</td> </tr> <tr> <td>October</td> <td>3.25</td> <td>5.24</td> </tr> </tbody> </table>	Progress 2021	Stagnation (%)			This Month	To This Month	July	4.30	4.40	August	12.14	5.42	September	5.13	5.38	October	3.25	5.24
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	This Month	To This Month																		
July	4.30	4.40																		
August	12.14	5.42																		
September	5.13	5.38																		
October	3.25	5.24																		
2	Non Plant Investment Work Rekg. 045 Year 2021 sourced from PEN funds in PM POM until 20 August 2021, only ±12.92% realized	<ul style="list-style-type: none"> Investment work Non-regk. 045 year 2021 sourced from PEN funds at POM PM until October 29, 2021 realized ±30% The engineering and processing department has made a contract addendum for several works in 2022 																		
3	FFB Processing Capacity 24.69 Tons/Hours On July 2021	Capacity Increase Data, as follows: <table border="1"> <thead> <tr> <th>Progress 2021</th> <th colspan="2">Capacity (Tons/Hours)</th> </tr> <tr> <td></td> <th>This month</th> <th>To This month</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>-</td> <td>24.69</td> </tr> <tr> <td>August</td> <td>25.32</td> <td>25.15</td> </tr> <tr> <td>September</td> <td>25.35</td> <td>25.30</td> </tr> <tr> <td>October</td> <td>25.90</td> <td>25.47</td> </tr> </tbody> </table>	Progress 2021	Capacity (Tons/Hours)			This month	To This month	July	-	24.69	August	25.32	25.15	September	25.35	25.30	October	25.90	25.47
Progress 2021	Capacity (Tons/Hours)																			
	This month	To This month																		
July	-	24.69																		
August	25.32	25.15																		
September	25.35	25.30																		
October	25.90	25.47																		

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

Regarding the management plan and monitoring of social and environmental impacts, PTPN II Pagar Merbau can show several documents, including:

- SEL (environmental evaluation study) document for the scope of factory and estate studies which has been approved by the Secretary General of the Ministry of Agriculture on 5 May 1993.
- ANDAL document (RKL-RPL) for the Pagar Merbau POM from the Regional Environmental Impact Management Agency number 06046 / BPD / DS / 2005 dated 10 June 2005 for the scope of the reliable ANDAL study (RKL-RPL) covering an area of 4,789.69 MIII processing capacity of 30 tons / hour.
- Approval letter for revision of RKL-RPL for Pagar Merbau POM from the Regional Environmental Impact Management Agency number 06046 / BPD / DS / 2005 on 10 June 2005 for the scope of reliable ANDAL study (RKL-RPL) covering an area of 4,789.69 MIII processing capacity 30 ton / hour.
- Environmental Permit for Oil Palm Mill Liquid Waste Utilization Activities for 1 MW Biogas Power Plant by PT Perkebunan

Nusantara II (Persero) Pagar Merbau Business Unit in Pagar Merbau III Village, Pagar Merbau District, Deli Serdang Regency with Number 484 of 2015 on March 23, 2015.

In the preparation of environmental documents, the company also involves stakeholders, using the method of public consultation with the surrounding village communities.

The company also has the PTPN II Pagar Merbau Mill Social Impact Assessment (SIA) document and the Tanjung Garbus Estate Pagar Merbau POM which was carried out in September - October 2020 by independent consultant Kompas Enviro. The scope of the study was carried out at the Tanjung Garbus Estate Pagar Merbau POM in areas that are estimated to be affected by the Tanjung Garbus Estate Pagar Merbau POM, namely Deli Serdang Regency and villages directly adjacent to the Tanjung Garbus Estate Pagar Merbau POM. This document provides several of positive and negative impacts as well as mapping of relationships, expectations and a social impact management plan accompanied by suggestions and recommendations. In the process of implementing this social impact assessment, it has also involved the participation of stakeholders, especially the villages around the company.

Regarding HCV Assessment The company carried out HCV identification in May 2017 by involving an independent assessor who has a license from the ALS (RSPO approved HCV assessor) (ALS 16007). In the identification results, it is explained that in the PT PN II Pagar merbau concession area there are only HCV 4, namely rivers and their borders as well as freshwater catchment / swamp areas covering an area of 83.51 hectares, HCV 6, namely sacred graves and public cemeteries with an area coverage an area of 2.37 hectares. In the identification report, it has also been explained that the identification process has involved stakeholders, especially the surrounding villages, such as the Head of Pagar Merbau I Village, Pagar Merbau II Village Head, and Tanjung Garbus II Village Head.

3.4.2

As a form of social management, the company has developed/compiled by involving independent parties in conducting social impact assessments related to the company's operational activities. The social impact assessment will be carried out in 2020. Meanwhile, the social impact monitoring plan is described in the environmental permit implementation document (RKL-RPL semester 1 2021), as for the monitored social impact plan:

- Management and monitoring of the regional economy.
- Management and monitoring of employment opportunities.
- Management and monitoring of business opportunities.
- Management and monitoring of community income
- Management and monitoring of public and social facilities.
- Management and monitoring of community perceptions.
- Management and monitoring of disease vectors and.
- Management and monitoring of disease prevalence.

There is also a report on the implementation of the social impact monitoring plan described in the 2021 SIA evaluation report, including:

- Job Opportunities
From the observations, the company has a positive impact on the surrounding community, especially employees or their families who work on plantations. In general, these employees (especially implementing employees) are recruited from local workers. In addition, the company also partners with small businesses around the company for procurement such as stationery, tools, building needs and others. The company periodically opens job vacancies and socializes them through brochures.
- Land
The company's land that borders the community also has an impact on the occurrence of land cultivation. Efforts made by the company in minimizing cultivating actions include repairing and maintaining boundary markers for uncultivated land. As for the land that has been cultivated, the company collects data on the land under cultivation as well as collects data

on the individuals who do the cultivation and conducts mediation to the cultivators

By doing it partially by the relevant department, there are potential impacts that arise but are not managed, for example:

- Attention to FFB theft.
- Existence of contractor employees, *PKWT* and permanent employees.
- The social dynamics of the company area around the company
- Employee housing that is occupied by retirees and not.
- Compliance issues related to laws and regulations for third parties (contractors)

Based on explanation above it can be concluded if the management and monitoring of the SIA carried out by the company has not been carried out comprehensively that cover all impacts. **Based on explanation above it became Non-Conformity No 2022.03 with Minor Category**

3.4.3

The implementation of environmental management and monitoring that has been carried out by the company is contained in the Environmental Management report of the Pagar Merbau Palm Oil Mill, which is carried out every semester, observations are made on the first semester of 2021. The preparation of the RKL-RPL implementation report is in accordance with Ministerial Decree No. 45 of 2005 which includes the evaluation of trends, evaluation of the critical level and evaluation of compliance. The company included the results of the implementation of several monitoring and management environmental activities listed in the existing RKL-RPL matrix, such as:

- Monitoring of air quality in the production room
- Monitoring groundwater quality (community wells)
- Management and monitoring of general and social facilities.
- Management and monitoring of security and order
- Monitoring and control of disease vectors and
- Monitoring prevalence of disease
- POME utilities for biogas *plant*

Based on the SIA recommendation on October 2020, the company has developed a social management and monitoring plan which was developed and outlined in the 2021 social management and monitoring implementation document as follows:

- Land Conflicts.
- Opportunity to get a job.

The social management and monitoring review report has been socialization to internal stakeholder and nearest community on 13 December 2021.

3.4.2	Status: Non-Conformity No.2022.03 with minor category
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3.5

A system for managing human resources is in place.

3.5.1

The company shows *SOP Rekrutmen Karyawan Pimpinan Secara Eksternal & Internal, Karyawan Pelaksana dan Karyawan PKWT PT PN II* documents, document number SOP-SDM-004, revision number 00, November 12, 2020, which among others explains the stages of administrative selection, general ability tests, fields assignments, medical tests, interview tests and the process of signing a work agreement.

The company has a document of the Collective Labor Agreement between PT Perkebunan Nusantara II and the Plantation Workers Union of PT Perkebunan Nusantara II Tanjung Morawa for the period 2020 – 2021 with Proof of Registration Number: 560/121 / DK-2/2020 dated 21 January 2020 and has signed by the parties on February 3, 2020. The document describes information related to the rights and obligations of the company, such as Employment Relationships, Days & Hours of Work, Class, Payroll, Allowances, Compensation, Health Care and Medicines, Occupational Safety and Health, Social Security and

Employee Welfare, Skills Development, Work Rules, Complaints Resolution, Termination of Employment, until the validity period of the Collective Bargaining Agreement.

Regarding career paths, it is also explained in the Collective Labor Agreement for the 2020-2021 Period, especially in Article 16 concerning Promotion of Class / Position, Article 17 concerning demotion, Article 18 concerning mutations and Chapter IV concerning Termination of Employment.

Based on the results of the document review, it is known that in addition to the status of permanent employees, there is also the status of workers, namely *Karyawan Tetap Non Golongan* (KTNGI Non-Class Permanent Employees). Furthermore, there is a plan for the appointment of PKWT (Specific Time Work Agreement) employees to become Non-Class Permanent Employees as many as 90 people, but in the recruitment procedures they have not set the mechanism or procedure for the appointment of Non-Class Permanent Employees.

Based on the explanation above, it is known that the company has not been able to show evidence that procedures are available regarding employee status, namely the status of Non-Class Permanent Employees. **Based on explanation above it became Non-Conformity No 2022.04 with Minor Category**

3.5.2

The unit of certification shows evidence that employment procedures have been carried out and records are maintained, which include the following:

- Recruitment of employees.
The company shows a certain period of employment agreement, for example number 2.TGP/SPK/VII/2021, which is valid until December 31, 2021. Based on this document, it is known that there are specific employment policies and procedures that are compiled such as type of work and place of work, days and working hours, wages, rights and obligations of the first and second parties.
- Payroll system
Circular Letter number 2.6-Dir/SE/12/II/2022 concerning Determination of Salaries for Employees of PT PN 2 Group IA up to IVD in 2022, dated January 14, 2022, which among other things explains the basic salary and fixed allowances received by workers according to their respective groups respectively.
- Career path system and work performance assessment.
 - Decree of the Board of Directors number SEVP BS/Kpts/53/VII/2020 concerning the Appointment of 32 Prospective Implementing Employees as Implementing Employees of PT PN II on July 30, 2020, which among other things explained that on behalf of YP (initials) he was appointed as the Implementing Employee of Pagar Merbau POM.
 - Document List of Employee Performance Assessments Implementing Group IA until IIID period January 2020 until December 2020 Tanjung Garbus Estate Pagar Merbau POM, January 21, 2021.
 - Document List of Employee Performance Assessments Implementing Group IA until IIID period January 2020 until December 2020 Pagar Merbau POM, January 28, 2021.
- Company regulations regarding employee rights and obligations.
The company shows the PKB (CLA) PT PN II document for the period 2020 – 2021 and has been signed by the parties on February 3, 2020, and has been registered based on the decision of the Director General of Industrial Relations and Labor Social Security Number KEP. 078/PHIJSK-PK/PKB/IV/2020, April 9, 2020, with Proof of Registration Number: 560/121/DK-2/2020 dated January 21, 2020. The CLA has regulated regular working hours (article 20), salary deduction (Article 43), overtime (Article 21), sick leave (Article 44), right to vacation (Article 24-26), maternity rest (Article 27), reason for dismissal (Article 63), notification period before work termination (Article 68) and so on according to the provisions of national regulations.

Based on the results of document review, interviews with worker representatives (worker union and gender committee), it is known that labor procedures have been implemented and documented such as documented employee recruitment, payment of wages and overtime have been in accordance with the provisions and there is an assessment of work performance.

3.5.1	Status: Non-Conformity No.2022.4 with minor category	
<p>3.6 An Occupational Health and Safety (H&S) plan is documented, effectively communicated, and implemented.</p>		
<p>3.6.1 The certification unit has carried out a risk assessment and its control in the form of a HIRADC document. The HIRADC document was last updated in December 2021. The document has detailed the potential hazards and precautions to be taken. However, based on the results of field visits and interviews in the field, there are several mitigation actions that have not been implemented, such as marking symbols and OHS warnings in chemical warehouses, emergency response facilities (first aid and Fire) and compliance with the use of PPE.</p> <p>During the audit process, the certification unit has been able to demonstrate improvement efforts, such as installing symbols and warnings. In this regard, the auditor team considers that mitigation efforts/procedures related to OHS problems/issues have not been implemented consistently and thoroughly throughout the operating unit in accordance with the established procedures. Based on explanation above it became Non-Conformity No 2022.05 with Major Category</p> <p>3.6.2 The company already has a P2K3 structure in accordance with the Decree of the Head of the Sumatera Utara Province Manpower Office No. KEP.20-7/DTK/2019 concerning Ratification of the P2K3 Occupational Safety and Health Committee at PT Perkebunan Nusantara II Tanjung Garbus Estates – Pagar Merbau on February 15th, 2019. The organizational structures are each equipped with a description of duties and responsibilities, including :</p> <ul style="list-style-type: none"> • Head of P2K3 • P2K3 Secretary • P2K3 Coordinator • P2K3 members <p>However, this P2K3 structure decree has changed personnel, so on January 28th, 2022 the company submitted a letter regarding the approval of the latest 2022 P2K3 management to the Head of UPT Region-II Manpower Supervision of the Sumatera Utara Province Manpower and Transmigration Office. This will be a concern for the next assessment.</p> <p>The company also shows a P2K3 Secretary General AK3 certificate. Daniel tambun No. 5/6919/AS.02.04/IX/2021 dated September 30th, 2021 and the Decree of the Minister of Manpower of the Republic of Indonesia No. 5/11039/AS.02.044/IX/2021 concerning Appointment of General Occupational Safety and Health Expert on September 30, 2021.</p> <p>The company can show the recording of P2K3 meetings that are held every month, which is accompanied by the minutes, for example:</p> <ul style="list-style-type: none"> • Recording of the Tanjung Garbus P2K3 meeting on December 13th, 2021, attended by managers, assistants, KTU and employee representatives, discussing matters related to proper and proper storage of goods and work tools and the implementation of health protocols during the covid-19 pandemic. • Recorded P2K3 Pagar Merbau Mill meeting on December 10th, 2021, attended by the PKS Manager, assistants and employee representatives, discussing matters related to employees' roles in maintaining occupational safety and health as well as evaluations related to good storage of goods or work tools. <p>The company can show the Hyperkes training certificate for the doctor in charge of the company from the Ministry of Manpower and Transmigration of the Republic of Indonesia No. 36,923/DH-VII/15 March 2015.</p>		

The company can show a checklist of the first aid kit/bag which is done every 3 months, monitoring to see the completeness of the contents of the first aid box/bag and the condition of the first aid kit.

The company can show the APAR condition checklist document which is carried out once a month.

3.6.1 | **Status: Non-Conformity No.2022.5 with major category**

3.7

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

3.7.1

The company shows a documented training program for all staff, workers, plasma smallholders and out growers considering specific gender-related needs and includes aspects of the RSPO principles and criteria, including those listed in the 2020 & 2021 Training Calendar document (plan and realization) Tanjung Garbus Pagar Merbau PT Perkebunan Nusantara II. Based on these documents, it is known that the planned training topics include:

- Certification Awareness (ISPO, RSPO, Proper)
- RSPO Internal Audit Training
- SCCS training
- GHG Inventory and Calculation Training
- Safety Briefing
- HCV Management and Monitoring Training
- Training on Making and Reporting Environmental Permits
- Socialization of Fire Prevention and Control
- First aid training in the workplace
- Training on hazardous waste Handling and Management
- Training on Land Fire Management with Manggala Agni Sibolangit
- Refresh Integrated Pest Management
- Limited Pesticide Training

Based on interview with workers and managements during audit it was known there several workers do not understand or confused about RSPO, so the company are encouraged to gradually increase understanding among employees regarding the principles and criteria of the RSPO according to the level of need and purpose (OFI).

3.7.2

Records of training are maintained, of which the following is indicated:

- Solid waste management training, July 19, 2021, attended by 11 participants
- Refreshment of integrated pest control and chemical monitoring, on November 30, 2021, attended by 13 participants
- Simulation of fire emergency response, July 24, 2021, which was attended by 15 participants
- Socialization of High Conservation Values, on 27 July 2021, which was attended by 21 participants
- Emergency preparedness and response testing, on 30 June 2021, attended by 16 participants
- High Conservation Value Training, 15 June 2021, attended by 12 participants
- First aid training in the workplace, 18 June 2021, attended by 12 participants
- Waste management training (liquid, solid, hazardous waste, air), on 22 June 2021, attended by 10 participants
- GHG Calculation Training, 27 November 2020 and attended by 13 participants.
- RSPO Internal Audit Training, 25 November 2020 and attended by 13 participants
- HCV Management and Monitoring Training, 22 September 2020 and attended by 10 participants
- SCCS training, 26 November 2020 and attended by 11 participants
- Integrated Pest Control Refresh, 26 October 2020 and attended by 8 participants
- Fire Management Training (Fire Simulation), 16 November 2020 and attended by 47 participants.

Based on the results of interviews with workers and contractors, it is known that the certification unit has provided training related to the activities carried out. For example, based on the results of interviews with warehouse officers at the Estate, it was found that warehouse staff had been given training in handling pesticides and MSDS.

3.7.3

last SCCS training carried out on 23 November 2020 with number of participants are 11 workers. The material discussed about traceability concept, RSPO SCC Standard & System, Quota Monitoring, and palm trace operation. Based on interview with workers it was known they has been understood about SCCS, however Companies are encouraged to continue to conduct training for employees related to understanding SCCS, because the results of interviews show that several employees have not mastered it in detail in example regarding period of license as well as documentation of book keeping (OFI).

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 and 3.8.2

The mill has a plan to implement the SCCS module Mas Balance, it's due to the mill accepting FFB from certified and uncertified sources. Certified FFB originally from the estate under the scope of certification and non-certified FFB originally from other suppliers under the management of PT Perkebunan Nusantara II

3.8.3

The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table:

Product	Estimate Production
FFB	36,000
CSPO	8,000
CSPK	1,440

3.8.4

Pagar Merbau Mill has been registered and met the requirements of reporting supply chain through the RSPO supply chain managing organization (palm-trace), which describing below:

Member Information	
Member Name	PT Perkebunan Nusantara II
Member ID	RSPO_PO1000004944
Member Country	INDONESIA
Member Category	Oil Mill
Core Product	Palm Oil

Since pagar merbau has not obtained RSPO, there are no transaction of certified palm product (CSPO and CSPK)

3.8.5

To ensure the implementation of all elements of the applicable supply chain, the company has had the procedure of SCCS that imposed in the *Prosedur Penanganan Produk Kelapa Sawit Bersertifikat* (SOP-TEK-055 dated 29 November 2021) with the aims of the procedure are as guidance of FFB certified handling form estate until the acceptance in the mill as well as CSPO and CSPK handling in the palm oil mill.

Based on documents verifications it was known the procedure has been covered all aspects of RSPO SCCS requirements for mill covering certified FFB handling, acceptance FFB in palm oil mill, processing of FFB, recording of CSPO and CSPK certified

product, mass balance CSPO and CSPK calculation, RSPO IT Palm Trace, Traceability, Market Communication, and Claim, document controller and etc.

3.8.6

Mechanism of internal audit ruled in the procedure of audit system management (SOP-TEK-041) which ruled internal audit carried out at least annually or if needed.

Last internal audit carried out on 13 – 14 October 2021 by sustainability team, based on internal audit result there is no nonconformity against RSPO Supply Chain Requirements for mill. The result of internal audit also discussed during management meeting review.

3.8.7

Not applicable since Mill has not RSPO Certified, however in the RSPO SCCS procedure described:

1. Acceptance certified and non-certified FFB
The acceptance of FFB identified based on the sources were certified estate, uncertified estate, or out-growers. Weighbridge operator will verify certified FFB from PB25 has been completed with stamp "TBS Mass Balance" and ensure all elements in PB 25 have been input from estates.
2. Overproduction information
In clausal 7.5.5 if there are indication over production certified CPO and PK compared with projection in certificate, its will be informed to Certification body
3. Non-conforming product handling
Mechanism of non-conforming product handling described in clausal 7.6.2 of the procedure, there are several nonconformities, for example, supporting information not comply, the product quality in accordance with standard, uncertified FFB claimed as certified FFB and etc.

3.8.8

Since the mill not obtained RSPO Certificate this indicator not applicable. The minimum information for RSPO certified products on sales will be verify at annual surveillance audit. The minimum information for RSPO certified products that need to be verify are:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- A unique identification numbers.

3.8.9

The company has not certified yet and there are no certified products, so there is no contract with a third party in handling certified products. This matter will be verified further at initial assessment and annual surveillance audit

3.8.10 and 3.8.11

The company has not certified yet and there are no certified products, so there is no contract with a third party in handling certified products. Record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products will be verified further at annual surveillance audit.

3.8.12

Since the mill not yet obtained RSPO Certificate this indicator not applicable.

3.8.13 and 3.8.14

Based on document verifications and interview with management it was known if there is no conversion rate of production of CPO (OER) and PK (KER) that applied by the mill. The production of CPO (OER) and PK (KER) are based on actual daily, monthly, and yearly production.

3.8.15

The mill has a plan to implement the SCCS module Mas Balance, it's due to the mill accepting FFB from certified and uncertified sources. Certified FFB originally from the estate under the scope of certification and non-certified FFB originally from other suppliers under the management of PT Perkebunan Nusantara II

3.8.16

Since the mill not yet obtained RSPO Certificate this indicator not applicable.

3.8.17

Since the mill not yet obtained RSPO Certificate this indicator not applicable.

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

The company demonstrates a policy to respect human rights, which is stated in the Company's Management System Policy document, which was signed by the Director on November 10, 2020. This policy states that:

- Management is committed to implementing applicable laws and regulations and other requirements to be integrated into the implementation of business activities
- Management is committed to respecting human rights by treating all employees fairly, both in terms of acceptance, assessment, working conditions and environment, as well as representation, regardless of ethnicity, caste, national origin, religion / belief, disability, gender, sexual orientation, trade union membership, political affiliation and / or age.
- Respect the rights of every employee to form or become a member of a worker union as he wishes

On the policy also escribed regarding prohibit retaliation against Human Right Defender which mentioned Maintaining the basic principles of the whistleblower, namely keeping the information submitted confidential, each reporting party getting protection, and the information being reported must undergo a due diligence process and further investigation.

The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and factories. This is evidenced by statements from plantation workers (harvesters, fertilizers, sprayers, and maintenance), factories (mill operators and warehouse workers) as well as contractors who state that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit.

4.1.2

The results of interviews with the surrounding community and company workers revealed that up to now if there was a conflict / problem with the company, the resolution action taken was deliberation without resorting to violence. Resolution of conflicts / problems using these deliberations has been quite effective and during the past year there have never been any conflicts / problems with 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

The company has a mutually agreed system, is open to all affected parties, can resolve disputes effectively, in a timely manner and in an appropriate manner, and ensures the protection of the identity (anonymity) of the complainants, human rights defenders, community representatives, whistleblowers, as listed in the Company's Management System Policy document, which was signed by the Director on November 10, 2021. Among other things, this policy states that the company is committed to maintaining the basic principles of the whistleblower, which is to keep the information submitted confidential, every reporter gets protection, and the information reported must undergo a due diligence process and further investigation.

In addition, the company also has a Stakeholder Communication and Consultation SOP, document number SOP-SEP-006, dated November 12, 2020, which among other things explains that all complaints are recorded and responded to according to the deadlines set by procedures and the company will always respect and maintain confidentiality, each complainant/suggestion/aspiration and conflict resolution mechanism.

The certification unit has disseminated the policy to related parties, including the 2021 Corporate Management System Policy Socialization to Stakeholders, on 18 December 2021.

Based on the results of interviews with workers and workers' representatives (worker unions and gender committees), it was stated that complaints can be submitted to their direct supervisors, to the worker unions or to the gender committee (specific complaints on women's issues). In general, all field management staff (assistant managers) and workers' supervisors directly play a role in managing the handling of worker complaints.

4.2.2 & 4.2.4

Procedures are in place to ensure that the system is understood by affected parties, including those who cannot read and write, among others by appointing personnel to investigate the problem, where for the estate unit the responsibility of the Public Relations section and the Head of Administration for mill. This is in accordance with the SOP for Conflict Resolution, document number SOP-SEP-005, Revision 00, issued October 12, 2020. Apart from that, independent third party options are also explained.

In general, all field management staff (assistant managers) and workers' supervisors directly play a role in managing the handling of worker complaints.

The company has appointed people who act as communicators between the company and society so that people who cannot read/write can be informed by the relevant communicators. Based on the results of interviews and field visits, it is known that there are still residential areas inhabited by retirees and their families, where there is a tendency for resistance/complaint actions to occur when they are told to leave housing, so companies are encouraged to anticipate potential complaints that will increase because of this. (OFI)

The SOP for Conflict Resolution, document number SOP-SEP-005, Revision number 00, issued October 12, 2020, includes an option mechanism for access to independent legal and technical advice, which is described in clauses 7.2.2, 7.3 and 7.5, which among other things states that the community in dispute with the company has the right to appoint their representatives during the legal process, or that both parties can form a Joint Consultative Committee which is tasked with resolving the issue independently.

4.2.3

The unit of certification shows the Logbook of Request for Information on the Plantation Work Unit / Mill Tanjung Garbus, for example the one shown in the October 2020 period, which explains the requesting party, date of entry, requested information, person in charge, follow-up, description, date of submission, initial PIC and additional information.

For example, there is an incoming letter from the Beringin sub-district number 525/633 dated 16 October 2020 regarding a request for data from the Plantation unit in the form of a legalized copy of the HGU SK, a legalized copy of the HGU map and the HGU sorting limit. Then the plantation unit forwarded the letter on October 22, 2020 to the office of the board of directors because the unit was not authorized to provide the requested information.

Status: Comply

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

4.3.1

The results of interviews with management obtained information that in terms of contributing to local development, the company already has an assistance program contained in the CSR and Community Development Report. The realization of CSR has been based on the needs of the community submitted through a proposal for a request for assistance. As for some of the CSR realized in 2021 such as:

- Realization of CSR in small industry, trade, agriculture, plantation, fishery, services and animal husbandry.
- Funding assistance for people's sugarcane plantations.
- Reforestation activities involved environmental agency, Deli Serdang regency. Planting Mahogany Trees, Trembesi and releasing birds around the estate and mill and the Office of the Board of Directors.
- Waste Management through the Environmental Service of Deli Serdang Regency.
- The construction of New Classrooms for Jabal Noor Integrated Islamic School.
- Providing Masks, Hand Sanitizer and Vitamins around the Tanjung Morawa District Directors Office
- Commemoration of the Provincial Government's International Day of Persons with Disabilities.
- Donation to Victims of the Mount Semeru Natural Disaster.

The results of the document review and interviews revealed that the village around the company was formed because of the plantation. Furthermore, the results of interviews with the Perbarakan Village Head, Tanjung Mulia Village Head and Tanjung Garbus Village Head, the current CSR program is based on the needs of the village. Some of the village administrators are employees of PT Perkebunan Nusantara 2 and each afdeling is a village with an independent government located in the company's operational area.

Based on the results of interviews with workers who are members of the community, it has been carried out in a participatory manner

From the results of interviews with representatives of surrounding villages, it is known that the company has realized several aids such as assistance for orphans, road repair assistance, basic food assistance and others.

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

Unit of certification has covers area for about **4,657.29 Ha. currently** there is no land expansion or additional operational areas in company operational area. Legal ownerships are remaining the same as shows through several documents, as follows:

- BPN Decree No. 52 / HGU / BPN / 2000, dated 12 October 2000 which stipulated to grant HGU for 25 years to PT Perkebunan Nusantara II domiciled in Tanjung Morawa Medan on a land area of 6,155.10 hectares located in Tanjung Morawa District, Hamparan Perak, Senembah Tanjung Muda Hilir, Pagar Merbau District, Deli Serdang Regency, Sumatera Utara Province, as described in an excerpt as part of the Registration Map in the list attached to this decision. The HGU certificate held by the Pagar Merbau Plantation in this decree covers an area of **533.02 Ha** with the following details:

- HGU Certificate No. 62 Penara Village dated 20 June 2003 covering an area of 533.02 Ha with the name of the right holder of PT Perkebunan Nusantara II Perkebunan Penara Kebun. Letter of measurement No. 01 / Penara / 2003 dated 19 June 2003.
- BPN Decree No. 42 / HGU / BPN / 2002, dated 29 November 2002 which stipulated that the extension of the HGU period of 25 years from the end of its rights to PT Perkebunan Nusantara II domiciled in Tanjung Morawa Medan on a land area of 14,503.11 Ha located in Sunggal District, Pancur Batu, Kotalimbaru, Tanjung Morawa, STM Hilir, Pagar Merbau, Hamparan Perak, Percut Sei Tuan, Beringin, Labuhan Deli, Batangkuis, Patumbak and Perbaungan Deli Serdang Regency, Sumatera Utara Province, as in the certificate and outlined in the map attached to this decision. The HGU certificate held by the Tanjung Garbus Estate in this decree covers an area of **4,124.269** hectares with the following details:
 - HGU Certificate No. 40 Desa Pasar VI Kuala Namu dated 19 June 2003 covering an area of 661.083 hectares with the name of the right holder of PT Perkebunan Nusantara II Perkebunan Kuala Namu. Letter of measurement No. 01 / Pasar.VI.Kuala Namu / 2003 dated 19 June 2003.
 - HGU Certificate No. 41 Desa Pasar VI Kuala Namu dated 19 June 2003 covering an area of 287.756 Ha with the name of the right holder of PT Perkebunan Nusantara II Perkebunan Kuala Namu. Letter of measurement No. 02 / Kuala Namu / 2003 dated 19 June 2003.
 - HGU Certificate No. 97 Tanjung Garbus Village dated June 20, 2003 covering an area of 1,223.11 hectares with the name of the right holder of PT Perkebunan Nusantara II Tanjung Garbus Estate. Letter of measurement No. 13 / Tanjung Garbus / 2003 dated 20 June 2003.
 - HGU Certificate No. 105 dated 20 June 2003 covering an area of 1,952.32 hectares under the name of the right holder of PT Perkebunan Nusantara II Perkebunan Pagar Merbau. Letter of measurement No. 06 / Pasar Miring / 2003 dated 20 June 2003.

4.4.2

Certification unit of Tanjung Garbus estates (PTPN 2) operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. Based on documents verifications and interviews with management as well as stakeholders (government agencies and local community) formerly the entire land of Tanjung Garbus originally from a dutch company namely Verenigde Dely MV a tobacco plantation company.

After nationalization in 1959, the company changed its name to PT Perkebunan Nusantara IX BUMN and started planting palm oil in the period of 1970. In 1996 based on Government Regulations No 6 year of 1996 there are merger some of PT Perkebunan Nusantara IX BUMN and became PT Perkebunan Nusantara II (persero). Furthermore in 2014 all PT Perkebunan Nusantara merged became one holding with parent company are PT Perkebunan Nusantara III (Persero) and PT Perkebunan Nusantara II (persero) changed name became PT Perkebunan Nusantara II. Furthermore there is no negotiation / land acquisition process for areas within the HGU / scope of certification.

4.4.3; 4.4.4; 4.4.5 and 4.4.6

As explained in indicator 4.4.2, Certification unit of Tanjung Garbus estates (PTPN 2) operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. During audit, the unit of certifications can presented map of concession area in accordance with legal documents that owned with appropriate scale (1:40,000). The maps has been informed the land use system in operational area.

However based on documents verifications and interview with management's obtained information there were claims from community covering 296.97 Ha. Managements stated the claims is invalid due to the company operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. The claimed area has been identified and mapped by company with appropriate scale (1:40,000).

Status: Comply	
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<p>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.</p>	
<p>4.5.1 – 4.5.8 There is no new planting or expansion in the company operational area. As explained in indicator 4.4.2, Certification unit of Tanjung Garbus estates (PTPN 2) operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>4.6.1 – 4.6.4 As explained in indicator 4.4.2, there is no land acquisition in the certification area. Certification unit of Tanjung Garbus estates (PTPN 2) operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. Based on documents verifications and interviews with management as well as stakeholders (government agencies and local community) formerly the entire land of Tanjung Garbus originally from a dutch company namely Verenigde Dely MV a tobacco plantation company.</p> <p>However, the procedures for identifying customary laws and rights and also regarding the calculation and payment of compensation are described in the Conflict Resolution SOP (No. SOP-SEP-005, dated 12 November 2020).</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>4.7.1 – 4.7.3 As explained in indicator 4.4.2, there is no land acquisition in the certification area. Certification unit of Tanjung Garbus estates (PTPN 2) operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. Based on documents verifications and interviews with management as well as stakeholders (government agencies and local community) formerly the entire land of Tanjung Garbus originally from a dutch company namely Verenigde Dely MV a tobacco plantation company.</p> <p>However, the procedures for identifying customary laws and rights and also regarding the calculation and payment of compensation are described in the Conflict Resolution SOP (No. SOP-SEP-005, dated 12 November 2020).</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>4.8.1 Based on documents verifications and interview with management's obtained information there were claims from community covering 296.97 Ha. Managements stated the claims is invalid due to the company operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. The claimed area has been identified and mapped by company. Based on interviews it was known the claimers / occupants do not have legal documents and occupy the company area that already has legal documents, namely HGU.</p>	
<p>4.8.2 As a guidance to resolve conflict the company has been develop SOP Conflict Resolution (SOP-SEP_005) with the aims as a</p>	

guidance very conflict can be resolved clearly to minimize loss in PT PN II. Managements stated the claims is invalid due to the company operational area were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959 based on government regulation No 4 the year of 1959. The claimed area has been identified and mapped by company. Based on interviews it was known the claimers / occupants do not have legal documents and occupy the company area that already has legal documents, namely HGU.

4.8.3 and 4.8.4

Based on documents verifications and interview with managements it was known in the certification unit there were \pm 296.97 Ha area that occupied by community. The claimed area has been identified and mapped by the company. Related to this land dispute, PT PN II has communicated with the police and made a report to the ministry of state-owned enterprises, because it is related to state assets. Various persuasive actions have been taken but have not been completed. In addition, the issue of land in PT PN II has also become a national issue where a limited meeting was held at the presidential palace involving the relevant ministries and authorities including local governments.

Based on the results of interviews with management, the settlement process is currently ongoing and involves the parties. There are several issues has been closed in example regarding case in Afdeling 3 Penara Village with area 0.8 ha (\pm 20 *rante*) has been settled through *Risalah Pemberitahuan Putusan Peninjauan Kembali Pengadilan Negeri Lubuk Pakam Kelas-IA*, dated 5 July 2022. Furthermore, related to unfinished land issues, based on documents verifications currently the settlement process is in court. latest update PTPN2 is taking legal action for judicial review (PK) based on the Deed of Receipt of the Memory Request for Judicial Review Number 05/Pdt.G/2011/PN Lp jo; Number 437/PDT/2011/PT MDN, jo. Number 39 K/Pdt/2013, jo. No.508/PK/PDT/2015 Deed No 11/2022 on 08 September 2022 at the Lubuk Pakam District Court Class 1-A.

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, 5.1.2, 5.1.3, 5.1.4, 5.1.5, 5.1.6. and 5.1.8

Based on interviews with management, that Mill has not received FFB from plasma farmers, independent smallholders, or collectors since 2011, the company only received fruit from the nucleus plantations and from plantations that are still in the same group. Thus, these principles and criteria do not apply.

5.1.7

The company has shown a certificate of weigh bridge test results by the Department of Industry and Trade of the Legal Metrology Regional Technical Implementation Unit number: 503/0646/SKHP-MT/DS.70/2021 on 16 August 2021 and valid until 14 August 2022.

Status: Comply

5.2

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

5.2.1, 5.2.2, 5.2.3, 5.2.4 and 5.2.5

Based on interviews with management, the company does not have a cooperation in receiving FFB from Independent Smallholder. This is evidenced from, of the 2021 FFB revenue realization, there is no purchase from third parties.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

The company demonstrates a publicly available non-discrimination and equal opportunity policy that is implemented by preventing discrimination based on ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation, or age, as listed in the Company Management System Policy document, which was signed by the Director on November 10, 2021. This policy, among others, states that:

- Management is committed to implementing applicable laws and regulations and other requirements to be integrated into the implementation of business activities
- Management is committed to respecting human rights by treating all employees fairly, both in terms of acceptance, acceptance, assessment, working conditions and environment, as well as representation, regardless of ethnicity, caste, national origin, religion / belief, disability, gender, sexual orientation, trade union membership, political affiliation and / or age.
- Respect the rights of every employee to form or join a trade union as he wishes

Based on the results of document reviews, such as the Tanjung Garbus Plantation Permanent Employees List November 2021, field observations of the plantation and mill, interviews with workers, interviews with worker unions and gender committees as well as the results of consultations with the manpower office, it is known that the certification unit has implemented policies related to non-permanent employment. discrimination and equality of opportunity such as employees who work vary from race/ethnicity, religion, gender, educational background, etc.

6.1.2

The company shows evidence that workers and groups including local communities, women, and migrant workers are not discriminated against, including in the Pagar Merbau Mill Employee Data November 2021 document and the Tanjung Garbus Plantation Employee Data November 2021 document. Both documents specify the employee's name, gender, status, address, education, description, and date of work. Apart from that, there were no migrant workers found.

Based on the results of document review, field observations, interviews with management and interviews with workers, it is known that the company does not recruit collectively from other provinces. Workers from other provinces come individually and voluntarily to find work. In addition, they also get information from their relatives if the company opens a job vacancy. Based on the results of interviews with the Manpower Office, it is known that workers come from surrounding villages and workers who come from outside the region individually and do not go through the AKAD (*Angkatan Kerja Antar Daerah*) procedure.

6.1.3

There is evidence that recruitment selection, employment, access to training, and promotions are made on the basis of skills, abilities, qualities, and medical eligibility as required for the available jobs, which are indicated as follows:

- Official Memorandum from the Head of the HR Division of PT PN II to the Commercial Director dated December 10, 2019 regarding the application for a permit for the realization of the cost of implementing the recruitment of prospective employees.
- Document of Test Results for Engineering in 2019, which explains the test results of 19 prospective employees
- Letter of Urine Test Implementation from *Badan Narkotika Nasional* Sumatera Utara Province on January 13, 2020
- Urine Test Result Report from *Badan Narkotika Nasional* Sumatera Utara Province on January 15, 2020
- Work Agreement Letter, for example number 2.6/SPK/27/II/2020, dated February 20, 2020, which describes a work agreement (*Perjanjian Kerja Waktu Tertentu*) for a period from February 10 to February 2020. July 31, 2020 on behalf of YP (initials) and has listed the rights and obligations of the parties.
- Decree of the Board of Directors number SEVP BS/Kpts/53/VII/2020 concerning the Appointment of 32 Prospective Implementing Employees as Implementing Employees of PT PN II on July 30, 2020, which among other things explained that on behalf of YP (initials) he was appointed as the Implementing Employee of Pagar Merbau POM.
- List of Employee Performance Assessment Documents for Implementing Group IA s.d. IIID period January – December 2020 Tanjung Garbus Pagar Merbau, January 21, 2021.

- Document List of Employee Performance Assessments Implementing Group IA – IID period January – December 2020 Pagar Merbau POM, January 28, 2021.

The promotion process is carried out based on skills, capabilities, and quality where the assessment is carried out by appraisers, direct supervisors and indirect supervisors. For example, the assessment of harvesters who are appointed as harvest foreman with aspects of the assessment namely discipline, quantity, quality of work, cooperation, work attitude and responsibility. In addition, based on the results of interviews with management and labor unions, it is known that the employee recruitment process begins with a process of checking administrative completeness, an initial medical examination before work and a work assessment process by superiors.

6.1.4

Based on the results of a review of the latest employee recruitment documents, it was found that there was no obligation for prospective female workers to take a pregnancy test, only to carry out physical health tests, administration, and interviews.

Based on the results of interviews with female workers and representatives of the gender committee, it was explained that at the time of recruitment, they did not take a pregnancy test, only did physical health tests, administration, and interviews with prospective leaders.

6.1.5

The company already has a gender committee with the specific objective of raising awareness, identifying and addressing issues of concern, and providing opportunities and improvements for women.

The company shows the organizational structure of the PT PN II Estate / Mill Tanjung Garbus Pagar Merbau Gender Committee, for the period 2019-2024, which was approved on January 4, 2019. The company shows the PT PN II Kebun / Tanjung Garbus Estate Pagar Merbau Mill Gender Committee Activity Program document in 2021, which including listing reports / issues related to gender equality, socialization regarding sexual harassment / complaints, socialization of planting live pharmacies in the yard of the house, etc.

Based on the results of interviews with representatives of the Gender Committee on Plantations and Mills, it was found that there were no incidents of sexual harassment or domestic violence. The gender committee is a bit constrained in conducting socialization to workers due to the Covid-19 pandemic situation. In addition, menstrual leave is available with a mechanism for reporting to the foreman and monitored by the afdeling party.

Based on the results of document review and interviews with representatives of the plantation and mill gender committees, it is known that the gender committee has programs and activities that focus on equality, prevention of harassment and implementation of reproductive rights. Based on the explanation of the representatives of the gender committee, it was also explained that the monitoring of permits H1 (menstrual leave) and H2 (maternity leave) were recorded for employees every month.

Based on the Organizational Structure of the Gender Committee of PT PN II Plantation/ Mill Tanjung Garbus Pagar Merbau, it is known that the composition of the committee consists of male and female workers. The representative of the gender committee also explained that in terms of employment there is no difference between male workers and female workers. Every worker has the same rights in terms of employment opportunities.

Based on the results of interviews with female workers, workers are aware of the existence of a Gender Committee, however, regarding the existence of a Gender Committee, it is only limited to socialization and does not include work programs for empowerment or activities aimed at improving women's skills. So that companies have opportunities for improvement by ensuring the existence of a Gender Committee program and its realization related to empowerment and activities to improve women's skills. (OFI)

6.1.6

The certification unit has a policy that has been implemented regarding the Scale and Wage Structure, which is stated in the Circular Letter number 2.6-Dir/SE/12/II/2022 regarding the Determination of Salaries for PT PN 2 Group IA employees until IVD 2022, January 14, 2022, which among others explains the basic salary and fixed allowances received by workers according to their respective groups.

Based on article 46 of the Collective Labor Agreement, it is explained that the female employee becomes the Head of the Family with the provisions of being a widow because her husband died, the status is a widow due to divorce based on a court decision and the husband is declared unable to earn a living due to a doctor's certificate having physical and mental limitations.

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

Wages documentation is available, some of which are shown as follows:

- Decree of the Governor of Sumatera Utara number 188.44/746/KPTS/2021 concerning the Determination of the Minimum Wage for the Province of Sumatera Utara in 2022, dated November 19, 2021, which among other things explains the minimum wage for the Province of Sumatera Utara in 2022 of Rp. 2,522,609,94,- which is the lowest wage and only applies to workers who have a working period of 0 – 1 year, while for workers who have a working period of 1 year or more, the entrepreneur is obliged to enforce provisions on the structure and scale of wages and set forth in the regulation of requirements work in the company.
- Circular number 2.6-Dir/SE/12/II/2022 concerning Determination of Salaries for PT PN 2 Group IA employees up to IVD 2022, dated January 14, 2022, which among others explains the basic salary and fixed allowances received by workers according to their respective groups.

In addition to the basic wages received by permanent employees in each group, it is based on the wage table above plus the workers' rice allowance. The certification unit also shows wage documentation, including the January 2022 wage slip, for example Pagar Merbau POM which shows the payment of wages for employees on behalf of MSN (initials), with class IC/08, earning a basic salary of Rp. 2,007,632 and a fixed allowance of Rp. 669,211. This is in accordance with Circular Letter number 2.6-Dir/SE/12/II/2022 concerning Determination of Salaries for PT PN 2 Group IA employees up to IVD 2022, January 14, 2022.

Based on employee data and salary payment documents for the January 2022 period, it is known that the employment status consists of permanent employees and Fixed Period Working Agreement (*Perjanjian Kerja Waktu Tertentu* PKWT).

Based on the results of consultations with stakeholders, it is known that the company still employs workers with PKWT status. Based on the results of the document review, it is also known that the company still employs workers with PKWT status, including Employee Data November 2021, which explains the number of employees with PKWT status as many as 84 people.

The Tanjung Garbus Estate Unit employs workers with PKWT status, where based on the work agreement shown, it is stated that the wages paid are based on "applicable provisions" and a work agreement is made between the Tanjung Garbus Estate Unit (located in Deli Serdang Regency with a minimum wage of Rp. 3,188,592) with direct workers.

Based on the results of a review of payroll documents, for example in the period of PKWT salary slips for the period September – November 2021, it is known that the basic wages paid are based on the provisions of the Sumatera Utara Province Minimum Wage, namely Rp. 2,499,423.

The company also shows a simulation of the calculation of the PKWT Wages for PT PN II Tanjung Garbus Estate, which explains that the PKWT wages are based on the number of hours worked in 1 day, i.e. 6 hours, assuming an effective working day of 25 days, the hourly wages obtained if using the UMP (upah Minimum Provinsi) of the Province of Sumatera Utara to

Rp. 16663,-. Based on Government Regulation number 36 of 2021 concerning Wages, it is stated that the hourly wage is a month's wage divided by 126.

Based on the explanation above, it is known that the company has not shown the wage requirements in accordance with the applicable labor regulations. The company has not shown sufficient evidence that the wages of PKWT workers have been paid in accordance with the applicable labor regulations. **Based on explanation above it became Non-Conformity No 2022.06 with Major Category.**

6.2.2

There is a work agreement along with related documents that regulates detailed wages and work requirements, some of which are listed in the Collective Labor Agreement (CLA) document. Based on the results of the document review, interviews with worker unions and interviews with management, it is known that the current CLA validity period (2020-2021 period) has expired. When the audit assessment was carried out, it was found that the CLA had been signed by PT PN II with the worker union in January 2022 for the CLA for the 2022 - 2023 period, but the CLA was still in the process of registering with the Manpower Office online so it could not be shown. The company shows the PT PN II CLA Registration document for the period 2022 - 2023, dated January 26, 2022.

However, in the CLA for the 2020-2021 period, in Article 71 regarding the validity period and extension of the CLA, it is stated that the previous CLA provisions are still valid until a new CLA is reached.

The company shows the CLA PT PN II document for the period 2020 - 2021 and has been signed by the parties on February 3, 2020 and has been registered based on the decision of the Director General of Industrial Relations and Labor Social Security Number KEP. 078/PHIJSK-PK/PKB/IV/2020, April 9, 2020, with Proof of Registration Number: 560/121/DK-2/2020 dated January 21, 2020. The CLA has regulated regular working hours (article 20), salary deduction (Article 43), overtime (Article 21), sick leave (Article 44), right to vacation (Article 24-26), maternity rest (Article 27), reason for dismissal (Article 63), notification period before work termination (Article 68) and so on according to the provisions of national regulations

Based on the results of interviews with workers and workers' representatives (worker unions and gender committees), it is known that employees have understood several points stated in the work agreement and CLA, such as those related to wages, social security and so on.

Regarding this indicator there are OFI about:

1. Based on the results of the document review, it is known that the company already has a list of workers, a work agreement along with related documents that regulate detailed wages and work requirements, as well as a salary detail document that provides accurate information on compensation for the work performed. In addition, the company has also carried out socialization, one of which is through the installation of information boards related to the prohibition of bringing family members or relatives who are not registered to help with work in the field, but by looking at the cultural conditions of the community around the company area, the company has the opportunity to further increase supervision from application of these rules.
2. Companies are encouraged to continue to follow up the process of extending the CLA at the ministry

6.2.3

The company shows proof of legal compliance for regular working hours, deductions, overtime, sick leave, right to get off, maternity leave, reasons for dismissal, notification period before termination of work, and other labor provisions as stated and agreed in the Collective Labor Agreement for the period 2020 - 2021. For the calculation of overtime, it refers to the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia number 102 of 2004 concerning overtime and overtime pay, namely for one hour overtime pay is the basic wage plus a fixed allowance multiplied by 1/173.

There is evidence of legal compliance with labor provisions, which are shown as follows:

Regular working hours

Based on the results of interviews with workers and a review of documents, such as payroll documents for the January 2022 period, it is known that the company has implemented provisions related to overtime work.

Deduction

Based on the results of the review of payroll documents, for example PKS workers on behalf of MSN (initials), with class IC/08, it is known that there are wage deductions such as income taxes, BPJS Employment and Health contributions.

Overtime

Based on the results of the document review, for example the Work Order document signed by the employee and the Overtime List document (monthly recap) as well as the Employee Wage Slip, it is known that there is no forced overtime by the company to workers. For example, the Work Order on behalf of the YT (initials) signed by the person concerned, an employee of the Tanjung Garbus Garden office, for the period 21 November – 20 December 2021, which explains the actual overtime hours for 14 hours. Based on the employee's Overtime List document, which explains the overtime recapitulation and calculation, it is known that the actual hours of overtime are 14 hours, where the first 1 hour of overtime is multiplied by 150% and the second and third overtime hours are multiplied by 200%, so the total overtime hours paid are 21 hours. . Based on the results of the review of the salary slip document for the December 2021 period, it is known that the overtime payment has been in accordance with the calculations shown and in accordance with the regulations related to overtime pay.

6.2.4

The company provides adequate housing, sanitation facilities, water supplies, medical necessities, education and public facilities. This is shown in the Tanjung Garbus Estate Facility and Infrastructure List 2020 document, January 17, 2020, which among other things explains that there are 9 units of mosques, 1 unit of church, school 12 units, employee halls, sports facilities, drilling wells, employee housing and others.

Based on the results of field observations, it is known that the certification unit has provided proper housing, sanitation facilities, water supply, medical needs, education, sports facilities, worship facilities and other public facilities, However, the housing facilities provided at this time are of the semi-permanent type and at the time of the visit the housing area looks already damaged and aging. Therefore, the company can improve it by evaluating the condition of the housing area and its supporting infrastructure (OFI).

6.2.5

Based on the results of interviews with representatives of the management unit, it was found that workers' access to adequate, adequate and affordable food could easily be found due to the strategic location of the plantations.

Based on the results of field observations and interviews with workers, it is known that the location of the plantation is in the middle of the city. In addition, there are also vegetable sellers who sell to employee housing.

6.2.6

The company shows PT PN II's 2022 Inkind Benefit Calculation document, January 2020, which explains the component description, monthly value and details. Based on the document, it is known that the components consist of basic salary, housing costs/ house rental allowances (for those who do not receive official housing), rice allowances, water, electricity and fuel allowances, leave money, work uniforms, bonuses and others. So that the calculation of the total benefit received is Rp. 1,269,223.35.

6.2.7

Based on the results of field observations and interviews with workers in harvesting activities, it is known that the harvest workers have PKWT status for 5 years and 10 years. Based on the results of the review of the Palm Oil Harvest PKWT Data document for Tanjung Garbus Estate in January 2022, it is known that there are 90 harvest workers with PKWT status, with the longest working period of 11 years.

Based on the explanation above, it is known that the company has employed non-permanent workers (PKWT) for the main work (harvesting) carried out by the certification unit. The company has not been able to show evidence that the main work, in this case harvesting, is carried out entirely by permanent workers. **Based on explanation above it became Non-Conformity No 2022.07 with Minor Category.**

6.2.1 Status: Non-conformity No. 2022.06 with major category.

6.2.7 Status: Non-conformity No. 2022.07 with minor category.

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

The company presents a published statement recognizing freedom of association and the right to bargain collectively in Indonesian. This statement is stated in the Company's Management System Policy document, which was signed by the Director on November 10, 2021. This policy, among others, states that:

- Management is committed to implementing applicable laws and regulations and other requirements to be integrated into the implementation of business activities
- Respect the rights of every employee to form or become a member of a trade union as he wishes

This has been proven by the formation of the PT PN II Tanjung Morawa Plantation Workers Union, which has been registered with the Deli Serdang Regency Manpower Office with record number 560/721/DK-2/2020 dated January 21, 2020. Based on the results of interviews with representatives from Trade Unions, the Manpower Office and several workers, it is known that there are policies related to freedom of association and have been implemented well in the field.

6.3.2

The company shows the minutes of meetings between the certification unit and the workers unions or workers representatives who are freely chosen by the workers and documented in Indonesian. For example, the minutes of the routine union meeting on November 6, 2020, at the Tanjung Garbus Estate, which were attended by 27 participants, with discussions including trade unions attending the socialization of the 2020 Collective Labor Agreement on October 26, 2020.

6.3.3

Based on the results of document review and interviews with management, it was found that the company did not interfere with the formation or activities of registered worker unions/organizations, or other freely elected representatives for all workers. This was further verified during stage-2 field observations through interviews with the head of the plantation and mill workers union, where it was stated that the election of the chairman and management of the plantation workers' union was elected directly by the members and there was no intervention from the company. This has also been stated in the *Anggaran Dasar dan Anggaran Rumah Tangga Serikat Pekerja Perkebunan*.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1

The company shows a formal policy regarding child protection, including the prohibition of child labor and its remedy, which is stated in the Company's Management System Policy document dated November 10, 2020, which was signed by the Director of this Policy, among others, stating that the company prohibits the employment of minors in accordance with laws and regulations. Based on the results of a study of work agreement documents, for example the Letter of Contract of Work Agreement number 2.3 / SPP / 022 / XI / 2020, 20 November 2020, with CV Karya Sentosa, it is known that in the cooperation agreement document there are policies that regulate the obligations of the parties including explaining that the contractor is obliged to comply with all applicable laws and regulations including prohibiting practices involving child labour, forced labor and trafficking in persons.

The company also showed the November 2021 Employee List document, which among other things explained that there was no child labour. Based on the results of field observations in the Plantation and Mill, it is known that in the field there are no workers under the age of 18 years.

Based on the results of interviews with the Estate and Mill Workers Union, it is known that the company only accepts workers aged 18 years and over and in the field there are no workers under 18 years of age.

6.4.2

The company shows documented evidence regarding the fulfillment of the minimum age requirements for workers in accordance with applicable regulations and age requirements verification procedures, which are shown in the Plantation and Factory Employee Data document, updated November 2021, which among other things explains that there are no workers or those who are accepted to work underage.

Based on the results of field observations on operational activities at the Mill and Estate, there were no workers who did not meet the minimum age requirements for workers in accordance with applicable regulations and procedures.

Based on the results of interviews with the Estate and Mill Workers Union, it is known that the company only accepts workers aged 18 years and over and in the field there are no workers under 18 years of age. The company also showed the November 2021 Employee List document, which among other things explained that there was no child labour.

6.4.3

Based on the results of document review and interviews with management, it is known that currently there are no students doing field work in oil palm plantations for the needs of the learning curriculum.

6.4.4

Based on the results of field observations, it is known that there is a policy on prohibiting child labor using warnings installed at strategic points such as housing areas, office areas, warehousing areas and access to villages. In addition, the employment agreement with the contractor has also been mentioned regarding the prohibition of child labor, as stated in the work agreement letter with CV Karya Sentosa regarding plantation upkeep and CV Barito regarding Transportation of CPO Production PT PN II, which among other things explains the age of the worker must be over 18 years.

Based on the results of the study of employee data documents and field observations, there was also no finding of child labor under the age of 18 years. The results of public consultations with village representatives, contractors and worker unions also found that the company prohibits underage workers.

Status: Comply

6.5

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

6.5.1

The company has a policy on prevention of sexual harassment and violence, which is listed in the Company's Management System Policy document, dated November 10, 2021 and signed by the Director. The policy states that the company is committed to preventing sexual harassment and various forms of violence against women and protecting their reproductive rights.

The Gender Committee has been appointed to be involved in this, including the socialization that has been carried out every year, such as the one on 18 December 2021. Based on the results of interviews with representatives of the Gender Committee on Plantations and Mills, it is known that the company has a policy on preventing sexual harassment and violence. The policy has been communicated to all workers during the morning briefing or a special time specified. The gender committee also explained that so far there have been no incidents of sexual harassment and violence.

6.5.2

The company's policy on the protection of reproductive rights, especially for women, has been documented, including in the Company Management System Policy document, dated November 10, 2021 and signed by the Director. The policy states that the company is committed to preventing sexual harassment and other forms of violence against women and protecting their reproductive rights.

Based on the results of interviews with representatives of the Mill and Estate Gender Committee, it is known that the company has a policy on the protection of reproductive rights, especially for women, such as Menstrual leave. They explained that if a female employee wanted to take H1 leave, she had to check at the company clinic and rest at the company clinic.

6.5.3

Based on the results of the document review, interviews with management and interviews with female workers (gender committee representatives), it is known that currently there are no new mothers giving birth. The company showed the Tanjung Garbus Plantation Female Employee List document as of December 2021. Based on this document, it was known that there were women employees who were not pregnant, not breastfeeding and had not recently given birth.

The implementations that have been implemented are the granting of a permit 45 days after delivery, the granting of a breastfeeding permit according to the needs of the baby, the provision of a breastfeeding room in the daycare center, and the availability of a clinic near the estate as a treatment facility.

6.5.4

The mechanism for submitting complaints that guarantees anonymity and protection of whistleblowers when requested, has been stated in the Company Management System Policy document, which was signed by the Director on November 10, 2021. This policy states that the company is committed to maintaining the basic principles of the whistleblower, which is to keep the information submitted confidential, every time the whistleblower gets protection and the information reported must be subject to a due diligence process and further investigation.

In addition, it is also stated in the Collective Labor Agreement in Chapter XIII regarding the settlement of complaints, which briefly describes internal, bipartite and mediation settlements. The certification unit has socialized the policy to workers, including on 18 December 2021.

Based on the results of interviews with workers and workers' representatives (worker unions and gender committees), it was stated that complaints can be submitted to their direct supervisors, to the worker unions or to the gender committee (specific complaints on women's issues).

Based on the results of interviews with representatives of the Mill and Estate Gender Committee, it is known that the mechanism for submitting complaints can be done in person or by letter.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

The worker accepts work voluntarily and freely. This is evidenced among other things related to the implementation of overtime work. Based on the results of the document review, for example the Work Order document signed by the employee and the Overtime List document (monthly recap) and Employee Wage Slip, it is known that there is no forced overtime by the company to workers. For example, the Work Order in the name of YT (initials) signed by the person concerned, an employee of the Tanjung Garbus Plantation office, for the period 21 November – 20 December 2021, which explains the actual overtime hours for 14 hours. Based on the employee's Overtime List document, which explains the overtime recapitulation and calculation, it is known that the actual hours of overtime are 14 hours, where the first 1 hour of overtime is multiplied by 150% and the second

and third overtime hours are multiplied by 200%, so the total overtime hours paid are 21 hours. Based on the results of the review of the salary slip document for the December 2021 period, it is known that the overtime payment has been in accordance with the calculations shown and in accordance with the regulations regarding overtime pay.

6.6.2

Based on the results of interviews with the Head of the Union of Plantations and Mill Workers, it is known that there is no practice of withholding identity documents, paying recruitment fees, substitution of work agreements without labor approval, forcing overtime, preventing workers from quitting their employment relationship, imposing penalties for termination of employment, forced labor due to debt obligations and withholding wages.

Based on the results of field observations and interviews with workers, no migrant workers were employed. However, in the certification unit there are temporary workers (Specific Time Work Agreement/PKWT). The company shows a certain period of employment agreement, for example number 2.TGP/SPK/VII/2021, which is valid until December 31, 2021. Based on this document, it is known that there are specific employment policies and procedures that are compiled such as type of work and place of work, days and days. working hours, wages, rights and obligations of the first and second parties.

The company shows evidence of the implementation of the work agreement, including the January 2022 Wage Slip document at Tanjung Garbus Plantation, for employees with PW (initials) with PKWT status with a basic salary of Rp. 2,522,610 and other income such as pension insurance, BPJS Employment and Health, harvest premium and others.

Status: Comply

6.7

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

6.7.1

The company already has a P2K3 structure in accordance with the Decree of the Head of the Sumatera Utara Province Manpower Office No. KEP.20-7/DTK/2019 concerning Ratification of the P2K3 Occupational Safety and Health Committee at PT Perkebunan Nusantara II Tanjung Garbus Estate – Pagar Merbau on February 15th, 2019. The organizational structures are each equipped with a description of duties and responsibilities, including :

- Head of P2K3
- P2K3 Secretary
- P2K3 Coordinator
- P2K3 members

However, this P2K3 structure decree has changed personnel, so on January 28th, 2022 the company submitted a letter regarding the approval of the latest 2022 P2K3 management to the Head of UPT Region-II Manpower Supervision of the Sumatera Utara Province Manpower and Transmigration Office. This will be a concern for the next assessment (OFI)

The company also shows a P2K3 Secretary General of OHS expert certificate. Daniel Tambunan No. 5/6919/AS.02.04/IX/2021 dated September 30th, 2021 and the Decree of the Minister of Manpower of the Republic of Indonesia No. 5/11039/AS.02.044/IX/2021 concerning Appointment of General Occupational Safety and Health Expert on September 30, 2021.

The company can show the recording of P2K3 meetings that are held every month, which is accompanied by the minutes, for example:

- Recording of the Tanjung Garbus P2K3 meeting on December 13, 2021 attended by managers, assistants, Head Of Administration and employee representatives, discussing matters related to proper and proper storage of goods and work tools and the implementation of health protocols during the covid-19 pandemic.
- Recorded P2K3 Pagar Merbau Mill meeting on December 10th, 2021 attended by POM Manager, assistants and employee representatives, discussing matters related to employees' role in maintaining occupational safety and health as well as evaluation

related to good storage of goods or work tools

6.7.2

The company can show the SOP for Emergency Preparedness and Response No. SOP-TEK-041, Revision 01, November 4th, 2020, the scope includes prevention and identification, response, and recovery of emergencies at PT Perkebunan Nusantara II. The company already has an Emergency Response Team equipped with job descriptions, while the composition of the Emergency Response Team is as follows:

The Emergency Response Team of the Pagar Merbau POM and Tanjung Garbus Estate unit, consisting of: Chairperson, Emergency Coordinator, Daily Chair, Secretary, General Assistant, Evacuation Team Coordinator, Security Team Coordinator, Combat Team Coordinator, Emergency Response Team Coordinator, Liaison Team Coordinator, Health Team Coordinator, Recovery Team Coordinator, Fire Poison Group Coordinator, Group Coordinator Water/Hydrant, Wet Goni Coordinator, Sand Group Coordinator, *Galah Pengait* Group Coordinator.

The company shows the list of attendance for first aid training in the workplace as follows:

- First aid training on June 18th, 2021 which was attended by 12 people at POM Pagar Merbau
- First aid training on July 28th, 2021 which was attended by 5 people at the Plantation Office

The company has 3 first aid workers who have received first aid workers certification in the workplace from the Sumatera Utara Provincial Manpower Office, as follows:

- Certificate of First Aid Officer in Accidents (P3K) at work No. 5/7313/AS.02.02/VII/2021 on behalf of Supriadi, first aid license valid until July 21th, 2024
- Certificate of First Aid Officer in Accidents (P3K) at work No. 5/7307/AS.02.02/VII/2021 on behalf of Erwin Saputra, first aid license valid until July 21th, 2024
- Certificate of First Aid Officer in Accidents (P3K) at work No. 5/7309/AS.02.02/VII/2021 on behalf of Irsadul Fikri, first aid license valid until July 21th, 2024

The company can show a checklist of the first aid kit/bag which is carried out every 3 months, monitoring to see the completeness of the contents of the first aid box/bag and the condition of the first aid kit

6.7.3

PPE for each job has been determined based on the hazard identification level of risk documented in the HIRAC document. The company can show the recorded minutes of the handover of PPE for estates and POM, for example:

- Form for Handover of PPE Tanjung Gabus Estate on June 17th 2021, with details of 11 pairs of Rubber Gloves, 11 Hats, 11 Aprons, 11 Respiratory Masks and 11 pairs of Safety Shoes, handed over to the chemist maintenance employee..
- Minutes of PPE Handover Form dated June 8th, 2021 with details of 8 glasses, 8 masks, 8 pairs of gloves, 8 pairs of ear plugs and 8 pairs of safety shoes, submitted to the Boiler Operator.

However, based on the results of field visits and interviews in the field, there are several mitigation actions that have not been implemented, such as marking of OHS symbols and warnings in chemical warehouses, emergency response facilities (P3K and Fire), compliance with the use of PPE as described in indicator 3.6.1.

6.7.4

Companies can show records payments of Social Security Agency of Health and Social Security Agency for Employment, for example:

- Social Security Agency of Health:
 - BPJS Health dues bill for December 2021 Tanjung Garbus Estate which explains the number of participants registered at BPJS Health 165 workers, with a total contribution of 26,305,950,-.
 - BPJS Health contribution bill for December 2021 Pagar Merbau POM which explains the number of participants

- registered with BPJS Health 137 workers and 239 dependents, with a total contribution of 21,873,796, -.
- Proof of payment of BPJS Health PT Perkebunan II in December 2021 for 6,292 people (which also includes the number of workers from the Tanjung Garbus Estate and the Pagar Merbau POM) in the amount of Rp. 930,380894.- through Bank BRI on December 9th, 2021.
 - BPJS of Employment :
 - Proof of payment of BPJS Employment PT Perkebunan Nusantara II in December 2021 for 6,800 people (which also includes the number of workers from the Tanjung Garbus Estate and the Pagar Merbau POM) in the amount of Rp. 1,436,589,213.- through Bank BRI on December 29th, 2021. This number is for all workers under PTPN II.
 - Proof of payment for the *Karyawan Pelaksana* Merbau Pagar POM total 24 people with 4 guarantees for the December 2021 period.
 - Proof of payment for non-class permanent employees of Tanjung Garbus Estate with a total of 10 people with 4 guarantees for the period of December 2021.
 - Proof of payment for PKWT Tanjung Garbus Estate totaling 91 people with 4 guarantees for the period December 2021.

Based on the description above, it shows that the company has included and paid for the Social Security Agency of Health and Social Security Agency for Employment programs.

6.7.5

The company has recorded work accidents in 2021 using Lost Time Accident (LTA), as follows:

- Pagar Merbau POM
 - Number of Employees : 128 People
 - Number of Working Hours (January 1st – December 31st, 2021) : 255,396 Hours
 - Number of Accidents (January 1st– 31st December 2021): 0 times
 - Number of days lost due to accident (January 1st–December 31st, 2021): 0 Days
 - FR (Frequency Rate): 0
 - Severity Rate : 0
- Tanjung Garbus Estate
 - Number of Employees : 252 People
 - Total Working Hours (January 1st – December 31st, 2021) : 530,744 Hours
 - Number of Accidents (January 1st – December 31st, 2021): 2 times
 - Number of days lost due to accident (January 1st – December 31st, 2021): 0 Days
 - FR (Frequency Rate): 0
 - Severity Rate : 0

All potential work accidents have been identified and the company evaluates the effectiveness and risk control every year.

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 can show the Oil Palm Plant Disease Control Work Instruction, No IK-TAN-003-009 dated July 10th, 2020 with the aim and scope to control the development of the disease so that it does not damage and interfere with plant growth and production in Oil Palm Seedlings, immature plant and mature plant in all plantations PT. PN II. In addition, the company has a Working Instruction Manual for Palm Oil Sampling and Pest Control, No. IK-TAN-003-002, July 10th, 2020. Purpose and scope to control and suppress the development of pests that damage oil palm plantations on Mature and Immature of Palm Oil.

The company can show records of monitoring and controlling pests, for example evaluation of oil palm pest attacks on the 4th week of December 2021, as follows:

Mature Area (Ha)	Pest	Desc	Attack Rate				Control Area (Ha)
			Free	Light	Medium	Heavy	
2.449,33	Bug worm	Ha	2,463.05	108.16	86.00	19.00	156.89
		Average	0.35	0.61	1.59	-	-
	Nettle caterpillar	Ha	1,384.74	3.00	-	-	8.00
		Average	-	0.90	-	-	-
	Oryctes	Ha	494.27	-	-	-	-
		%	-	-	-	-	-
	Rat	Ha	494.27	-	-	-	-
		%	-	-	-	-	-

Based on the explanation above, the company has carried out monitoring of pest attacks for caterpillars that eat oil palm leaves, oryctes and rats. Based on the results of monitoring, it is known that heavy pest attacks are attack by bagworms.

7.1.2

Based on interviews and observations in the field regarding the predatory host plants of oil palm pests in Tanjung Garbus Estate, the introduced invasive species are not used according to the Minister of Environment and Forestry Regulation No. P94/MENLHK/SEKJENKUM.1/12/2016, however, the company grows and cultivates *Turnera Subulata* and *Antigonon leptopus* species which are planted on the main road afdeling of each estate.

7.1.3

Based on the Work Instructions for Palm Oil Sampling and Pest Control Technique Guidelines No. IK-TAN-003-002 and Palm Oil Plant Disease Control Work Instructions No. IK-TAN-003-009 dated July 10th, 2020, it is known that there are no stages of using fire for pest control purposes. In addition, based on interviews and direct observations in the field, there is no information and traces of pest control using fire.

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 shows work instructions for the use of hazardous chemicals which aim to control the use of hazardous chemicals to prevent and or reduce risks due to the use of hazardous chemicals in the workplace, work tools and the environment. In addition, the company has a system policy that is committed to implementing the best and sustainable work practices in the company's business processes, including making efforts to minimize or stop the use of chemicals that are included in limited pesticides.

The company has a program to reduce the use of pesticides, including:

- Substituting paraquat restricted pesticide with ammonium glufosinate
- Crosscheck to the field to check weed density figures
- The use of pesticide doses refers to the density of weeds.

In addition, based on warehouse stock data per. December 1st, 2021, the limited type of pesticide paraquat is no longer in stock and the 2022 Company Work Plan and Budget (RKAP) no longer uses the limited pesticide type Paraquat

7.2.2

The company shows records of pesticide use including the active ingredients used and the LD50 of the active ingredients, as follows:

INGREDIENTS	LD50 (mg/Kg)	Usage until Dec 2021 (Lt)	Area of application	Vol/Ha
Glyfosate 490 g/l (Lt)	4230	9,013.96	22,534.90	0.4
Amonium Glifusonate 150 g/l (Lt)	1625	2,620.00	10,010.75	0.26
Paraquat Diklorida 276 g/l (Lt)	150	6,369.92	11,338.58	0.56
Sipermetrin 100 g/l (Lt)	C250	1,971.37	17,543.46	0.11
Karbosulfan 200 g/l (Lt)	250	3,326.32	6,283.68	0.53
Asefat (Kg)	945	3,522.00	3,283.24	1.07

7.2.3

The company shows work instructions for the use of hazardous chemicals which aim to control the use of hazardous chemicals to prevent and or reduce risks due to the use of hazardous chemicals in the workplace, work tools and the environment. In addition, the company has a system policy that is committed to implementing the best and sustainable work practices in the company's business processes, including making efforts to minimize or stop the use of chemicals that are included in limited pesticides.

The company has a program to reduce the use of pesticides in controlling IPM, including:

NO	PROGRAM	PIC	TARGET
1	Reduction/replacement of the use of paraquat chemicals	All Assistant, Askep, Manager	December 2021
2	Weed identification & weed density check	All Assistant, Askep, Manager	December 2021
3	Monitoring periodic pesticide checks and planning for chemical use	All Assistant, Askep, Manager	December 2021

In addition, based on warehouse stock data per. December 1st, 2021, the limited type of pesticide paraquat is no longer in stock and the 2022 Company Work Plan and Budget (RKAP) no longer uses the limited pesticide type Paraquat

7.2.4

The company did a telling to see the criteria for the level of attack before deciding to use pesticides as pest control, this is explained in the Work Instructions on Guidelines for Oil Palm Sampling and Pest Control Techniques, No. IK-TAN-003-002, July 10th, 2020. The purpose and scope of this work instruction is to control and suppress the development of pests that damage oil palm plantations in Mature Area and Immature Area of Palm Oil.

The company showed a census of the level of pest and disease attacks on oil palm plants in November 2021 which showed low, medium, and high attacks. The company carried out control according to the total area of the attack using chemicals from the Lancher and Manthene brands. Based on the description above, it shows that the company uses pesticides according to the results of the census of pest attack levels and there is no use of pesticides preventively for prevention pests and diseases (prophylactic use).

Based on the evaluation of oil palm pest attacks in November 2021, it was found that bagworms, nettle caterpillars, oryctes and rats attacked. In general, from the 7 divisions there are pests with low categories, such as Divisions II, III, IV, V, VI and VII. The pest attack with a high category is the bagworms attack in Division I covering an area of 15 ha and has been controlled using the pesticide Manthene.

7.2.5

Based on the recording of the use of herbicide at Tanjung Garbus Estate for the period 2018-2021, it is known that there is the use of pesticides with the active ingredient paraquat with the following details:

Years	Paraquat Diklorida (Lt)

2018	6,945.49
2019	6,585.72
2020	6,386.50
2021	6,369.92

The company has a program to reduce the use of pesticides in controlling IPM, including:

NO	PROGRAM	PIC	TARGET
1	Reduction/replacement of the use of paraquat chemicals	All Assistant, Head of Assistant, Manager	December 2021
2	Weed identification & weed density check	All Assistant, Head of Assistant, Manager	December 2021
3	Monitoring periodic pesticide checks and planning for chemical use	All Assistant, Head of Assistant, Manager	December 2021

Based on warehouse data as of December 1st, 2021, the stock of Paraquat Dichloride is no longer available. The company's commitment will not use this limited pesticide for weed control in 2022, this is reinforced by the RKAP (Company Work Plan and Budget) which does not budget for weed control using Paraquat Dichloride

7.2.6

The company has included its employees to take part in pesticide applicator training organized by UPT PTPH Sumatera Utara Province on September 28th, 2020 and was declared to have passed and met the requirements for occupational safety and health (K3).

The following is the data of employees who have attended training on the use of limited pesticides

NO	NAME	NO CERTIFICATE
1	M. Wami Setiawan	700/55192/PSP/IX/2020
2	Yudi Wahyu Hidayat	700/55153/PSP/IX/2020
3	Indra Setiawan	700/55154/PSP/IX/2020
4	Herdison Pasaribu	700/55155/PSP/IX/2020
5	Wagiono	700/55156/PSP/IX/2020
6	Suarjan	700/55157/PSP/IX/2020
7	Suhendi	700/55158/PSP/IX/2020
8	Aldi Roliansyah	700/55159/PSP/IX/2020
9	M. Rico Andriyan	700/55160/PSP/IX/2020
10	L. Azis Pradana	700/55164/PSP/IX/2020
11	Agus Saputra	700/55165/PSP/IX/2020

7.2.7

Based on observations at the Tanjung Garbus Estate pesticide and fertilizer warehouse, pesticide storage is not in accordance with recognized best practice, where pesticides and fertilizers are stored in the same space with limited partitions. This is a discrepancy as described in indicator 3.6.1

7.2.8

The company shows the Handling of Hazardous waste as described in work instruction with Number. IK-TAN-022-0001 effective July 9 2020 and approved by the Head of the Planning & sustainability Section on Hazardous Waste Management, Agrochemical Chemical Containers and equipment washing water. In the procedure it is explained that the identification of hazardous waste is: ex lubricant, ex battery, used pesticide packaging, used rag, ex lamp. The hazardous waste was must be collected in a Hazardous warehouse and sent to authorized collectors. The company shows evidence of the submission of hazardous waste used pesticide packaging Pagar Merbau POM on March 11th, 2022 to PT Sumatera Deli Lestari as used

container pesticide 0.0632 ton.

7.2.9

The company does not have an SOP regarding spraying pesticides through the air. Based on the results of interviews with management and field observations, it is known that the company does not spray pesticides through the air.

7.2.10

The company can show the recording of periodic health checks in 2020 as follows:

- Records of examination (cholinesterase) for 16 pesticide personnel conducted by the Prodia Clinical Laboratory on November 13, 2020. Based on the results of the examination, it was found that the patient had normal results.
- Records of medical examinations from the RSU Bangkat on October 20, 2020 for 27 people with good results.
- Records of medical examinations from the RSU Tanjung Selamat for 39 people dated 12 November 2020 with results within normal limits.

There is also a record of the results of the annual special medical examination for pesticide operators, which are shown in the examination results document from the Medan Prodia Clinical Laboratory, the date of Cholinesterase sampling on October 18, 2021, which explains that out of 17 workers, it is known that there is 1 worker whose results exceed the threshold value.

The company indicated that on behalf SR (initial) was no longer working. These workers are workers from contractors who have been provided with health check facilities. However, he did not want to carry out further health checks.

7.2.11

The company has an internal letter from the Head of Plant No. 2.3/2/153/XI/2020 dated 12 November 2020 regarding Chemical Material Management Personnel. In point 2 it is explained work that has a risk of exposure to chemicals, should not be done by:

- People under 18 years of age.
- Pregnant and / or breastfeeding women.
- People who do not have the competence (only for limited pesticide application).

The company provides a Women Worker Monitoring document to monitor the number of female workers who are pregnant, giving birth or breastfeeding that is done every month. The company also conducts monitoring by granting menstrual permits.

Based on the results of document review and interviews with female workers and representatives of the Gender Committee, it is known that the company also monitors the menstrual date of female workers every month and it is known that there are no pregnant or breastfeeding mothers who work as pesticide applicators.

Status: Comply

7.3

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

7.3.1

As a guide in the management of hazardous waste and domestic waste, the company has procedures that regulate this, for example:

1. SOP for Domestic Waste Management (SOP-TEK-059) published on November 29, 2021, which explains the handling of non- hazardous waste domestically from housing, including:
 - Collect solid waste in the trash bin.
 - Collect the waste that has been collected in each housing and put into the garbage pit and not allowed to burn.
2. Work Instructions for handling and storing hazardous waste No. IK-TAN-022-0001 Revision 00 dated 09 July 2020. The Work Instruction explains the mechanism related to hazardous waste management, for example:
 - Used TL lamps are stored in hazardous waste storage.

- plastic used for chemicals (inner sacks used for chemical and fertilizer packaging) is rolled up and tied with 10 pieces of rope and then stored in the hazardous waste storage.
 - Burlap used for fertilizers, pesticides and other chemicals is rolled up and tied with 10 pieces of rope and then stored in the hazardous waste storage.
3. Work Instructions for the Use of hazardous No. IK-TAN-003-010 Revision 00 dated July 10, 2020. The Work Instruction explains the mechanism related to the management of used pesticide hazardous waste, namely, after the pesticide chemicals have been used up, the former places where the pesticide chemicals are brought to the division office and cleaned are recorded and then recorded. sent to the hazardous waste storage using a cover letter.

However, during the audit, it was discovered that the waste management carried out by the company was not in accordance with the existing procedures, for example:

- Packages of used pesticides, expired hazardous pesticides, used paint packaging and pesticide spray equipment were damaged in the warehouse of division I Tanjung Garbus office.
- The used TL lamps are stored in the office of the warehouse clerk, division I, Tanjung Garbus estate.
- Packaging of used lubricants at the POM workshop.
- Packaging used for used lubricants, used packaging for pesticides and used packaging for water purification chemicals in the POM lubricant warehouse.
- Utilization of hazardous waste used for water purification chemical packaging as a water reservoir in the POM WTP area.
- Utilization of hazardous waste from used lubricant packaging as a POME filter in POM.
- Utilization of hazardous waste used for lubricant packaging as a pump float and some hazardous waste used for hazardous chemical packaging in POM WWTP.
- There are no trash bins and trash is dumped beside and behind the division 1 housing estate.

The implementation of the hazardous waste and domestic solid waste management plan has not been carried out in accordance with the applicable laws and regulations and the established management plan. **Based on explanation above it became Non-Conformity No 2022.08 with Minor Category**

7.3.2

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduces the carbon emission from the combustion of fossil fuel.
- POME discharge to river with the threshold and standard requirements issued by the government for no environmental pollution potential.

The company has a hazardous waste management work instruction with Number. IK-TAN-022-0001 effective July 9 2020 and approved by the Head of the Planning & sustainability Section. The work instruction explains that hazardous waste generated by operational activities is stored in a hazardous Waste Temporary Storage.

The hazardous waste balance shown by the Company contains the type of hazardous waste that has entered, the date the hazardous waste has entered, the amount of hazardous waste that has been entered, the maximum date for storage and the date of discharge of the hazardous waste.

An official report on the handover of hazardous waste on June 11, 2021 from hazardous waste storage PTPN II Pagar Merbau Mill transported by PT Sumatera Deli Lestari Indah & PT Indostar Cargo in a vehicle with police number BK 9980 EG with details of the hazardous waste carried are:

1. Used hazardous waste container 0.0632 ton.
2. Electrical waste 0.1013 ton.

3. TL lamp used 0.0169 ton.
4. Used rag 0.0187 ton.
5. Used lubricant 1.2 ton
6. Ion exchanger waste 1.8 ton

7.3.3

As a guide in domestic waste management, the company has a Domestic Waste Management procedure (SOP-TEK-059) issued on November 29, 2021 which explains the handling of non-hazardous waste domestic waste from housing, including:

- Collect solid waste in the trash bin.
- Collect the waste that has been collected in each housing and put into the garbage pit and not allowed to burn.

Based on the results of the field visits, it is known that:

- Domestic waste burning activities were found in the Division 1 Housing and the Rear Area of the 7 Afdeling Office.
- Found traces of domestic waste burning in the area near the loading ramp area.

The company has not been able to show sufficient evidence that in carrying out waste management it has not completely used open burning for its destruction

Based on explanation above it became Non-Conformity No 2022.09 with Minor Category

7.3.1	Status: Non-Conformity No 2022.08 with Minor Category
7.3.3	Status: Non-Conformity No 2022.09 with Minor Category

7.4

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

7.4.1

The company has SOP/IK to manage soil fertility, including:

- Sowing Compost for young Immature and Mature areas which are sown evenly on tree discs at a dose of 25 Kg per tree, according to IK-TAN-003-008
- Utilization of Empty Fruit Bunches waste produced from POM, to increase soil fertility in Immature and Mature Oil palm, so that it refers to IK-TAN-003-003 concerning Provision of Chopped Empty Bunches (CTK) in the area of Mature Palm Oil.
- Daily fertilization plan for oil palm in the field is made a map of daily fertilization plan to describe the direction of fertilization implementation and determination of SPB (Large Supply Point) and PO (Purchase Order) (Small Supply Point) according to the FM-TAN-006 form regarding Sample Supply Map Fertilization Points (Palm Oil) as well as to stimulate growth, replace nutrients that are used for those lost due to washing and being transported together with production in Immature and Mature Palm Oil in order to refer to IK-TAN-003-007 concerning Fertilization of Palm Oil Plants.

Companies can show records of fertilizer use in 2021, as follows:

DIV	AREA	NPK	TSP	DOLOMITE	MoP
I	438.32	259,565.75	12,487.25	104,788.00	18,689.88
II	424.17	247,618.50	12,875.00	97,413.50	6,000.00
III	340.9	90,249.25	-	75,110.00	26,740.00
IV	220.41	-	-	-	-
V	253.14	-	-	-	-
VI	273.86	6,393.75	-	3,617.85	-
VII	401.54	39,800.00	-	43,315.50	-
TOTAL	2,352.34	643,627.25	25,362.25	324,244.85	51,429.88

7.4.2

The company can show the results of leaf and soil analysis conducted by the Palm Oil Research Center, as follows:

- Results of leaf sample analysis No. 2227/0.1/Sert/XI/2020 on October 12th, 2020 and 2226/0.1/Sert/XI/2020 on October 6th, 2020, the number of samples tested was 41 samples. The parameters analyzed include: N, P, K, Ca, Mg.
- Results of analysis of soil samples No. 2206/0.1/Sert/XI/2020 on October 12th, 2020, the number of samples tested was 4 samples. The parameters analyzed include: Fraction (Sand, Dust, Clay); pH (H₂O, KCl); C; N; P; K; Na; Mg; JKB; CEC; KB; Al-dd.

7.4.3

The company can show a record of the use of vacant vacancies on land at Tanjung Garbus Estate in 2021, as follows :

MONTH	IMMATURE	IMMATURE II (Kg)			IMMATURE III (Kg)		MATURE
	I (Kg)	AFD IV	AFD VII	AFD II	AFD III	AFD I	
June	2,234,400					2,201,960	
July	16,980					702,160	
Agus						1,095,070	
Sept			31,070	569,780	170,560	877,340	
Oct			445,000	981,610			
Nov		34,500	706,540	645,800			
Dec		31,360		683,540			
TOTAL	2,251,380	65,860	1,182,610	2,880,730	170,560	4,537,890	

7.4.4

Companies can show records of fertilizer use in 2021, as follows:

DIV	AREA	NPK	TSP	DOLOMITE	MoP
I	438.32	259,565.75	12,487.25	104,788.00	18,689.88
II	424.17	247,618.50	12,875.00	97,413.50	6,000.00
III	340.9	90,249.25	-	75,110.00	26,740.00
IV	220.41	-	-	-	-
V	253.14	-	-	-	-
VI	273.86	6,393.75	-	3,617.85	-
VII	401.54	39,800.00	-	43,315.50	-
TOTAL	2,352.34	643,627.25	25,362.25	324,244.85	51,429.88

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

Soil types in the company area are identified in the Soil Type Map at a scale of 1: 52,000, with details as follows:

No	Type of Soil	(Ha)
1	Latosol	220.78
2	Podsolik Cokelat	1,534.40
3	Alluvial	2,940.17

Sources of data on the Indonesian Basic Map of Earth in scale 1: 50,000 in 2014; HGU Tanjung Garbus Estate PTPN II; Field Survey 2017; USDA Soil Taxonomy.

Land with steep slopes in the company area is identified in the Slope Map at a scale of 1: 52,000, with details as follows:

No	Slope	(Ha)
1	0-8%	3,557.24
2	8-15%	785.92
3	15-25%	138.08
4	25-40%	12.67
5	>40%	0.13

Sources of data on the Indonesian Basic Map of Earth in scale 1: 50,000 in 2014; HGU Tanjung Garbus Estate PTPN II; Field Survey 2017; DEMNAS Indonesia 2017 data

7.5.2

Based on the Indonesian Basic Map of the Earth scale 1: 50,000 in 2014 the operational area of PT. PN II is dominated by flat areas with a slope of 0 – 8% covering an area of 3,557.24 Ha out of a total area of 4,657.29. This is confirmed again based on the results of direct observations in the replanting area of Block 53 Afdeling V which is a flat area. Attached are the replanting area data in 2021:

YEAR OF PLANTED	BLOCK	AREA (HA)	TREES	TREES/HA
2021	27	27.80	3,666	132
	28	21.40	2,840	133
	29	12.92	1,720	133
	30	22.60	3,000	133
	40	10.50	1,390	132
	41	25.90	3,410	132
	46	24.94	3,400	136
	48	19.40	2,560	132
	49	22.80	3,010	132
	50	25.50	3,460	136
	51	25.40	3,480	137
	52	24.32	3,560	146
	53	25.10	3,830	153
	54	24.60	3,770	153
TOTAL		313.18	43,100	138

Based on the description above, there is no replanting in areas with steep slopes

7.5.3

Based on the area statement data and interviews with management, it is known that the company does not develop land or new plantings and only carries out replanting activities.

Status: Comply

7.6

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

7.6.1, 7.6.2, 7.6.3

Based on the area statement data and interviews with management, it is known that the company does not develop land or new plantings and only carries out replanting activities.

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 – 7.7.7

Based on the Soil Type Map at a scale of 1: 52,000, it is known that there are no peat areas in the company's area. The types of land contained in the company area are as follows:

No	Soil Type	(Ha)
1	Latosol	220.78
2	Podsolik Cokelat	1,534.40
3	Alluvial	2,940.17

Sources of data: Basic Map of Indonesian Earth in scale 1: 50,000 in 2014; HGU Tanjung Garbus Estate PTPN II; Field Survey 2017; USDA Soil Taxonomy.

Based on this information, this indicator cannot be applied.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The companies have water management program, such as:

- Perform periodic quality tests of river water
- Conduct monitoring and enrichment in riparian.
- Conducting socialization to employees to conserve and water in the watershed
- Procedure for Management of High Erosion Potential Areas (SOP-TEK-057 Revised 01 dated November 29, 2021).
- Procedure for Management and Monitoring of High Conservation Value Areas (SOP-TEK-057 Revised 01 dated November 29, 2021).
- Tanjung Garbus plantation HCV assessment document dated May 2019.

The company has demonstrated the results of the clean water test on July 27, 2021 conducted by accredited Laboratories as accredited KAN. Based on the test results show that the quality of surface water is in accordance with the standards of government regulation number 22 year 2021 appendix 6 part 1 (class water quality 2) on river upstream, center and Downstream River Pagar Merbau POM.

The company has demonstrated the results of the clean water test on July 27, 2021 conducted by accredited Laboratories as accredited KAN. Based on the test results show that the quality of surface water is in accordance with the standards of the minister of health of the republic of Indonesia number 32 of 2017.

7.8.2

To protect rivers that cross the plantation area, the Company has a plan and implementation of river water monitoring every 6 months and groundwater every 1 year as described in criterion 7.8.1 with test results still meeting the predetermined quality standards.

The plan for protecting watersheds and wetlands in the form of riparian is described in several documents, including:

1. SOP-TEK-057 revision 0 published on November 29, 2021 regarding the riparian management mechanism. The river border management plan includes:
 - Making permanent boundary posts in the form of reinforced concrete iron/wooden pegs with a length of 130 cm with

- a distance between stakes of 25 – 150 meters.
- Measure the cross-sectional dimensions of the riparian area.
 - Maintaining the sustainability of river functions and overcoming the potential for pollution from chemical and fertilizing activities.
2. The HCV assessment document for the Tanjung Garbus plantation in May 2019 which explains the determination of the area of the riparian refers to the regulations that apply to Presidential Decree 32 of 1990, so that the recommended riparian for the Galang and Batu Gingging rivers is 50 meters from either side of the river. Based on the document, there is a prohibition on the use of synthetic chemicals (fertilizers & pesticides) on riparian.
 3. Riparian protection letter No. SEVP OP/2/225/VIII/2021 from the Senior Executive Vice President to the general manager of PT PN II dated August 25, 2021. Based on the letter, the following information was obtained:
 - The estate manager marks the riparian area 50 meters on the right and left of the river. - The estate manager makes an inventory of the riparian area.
 - Plant maintenance is not allowed to use chemical / synthetic chemicals, but manual maintenance.
 - In order to maintain biodiversity, especially at riparian and prevent erosion, it is not permitted to clear/clean plants along the riparian.
 - Related to replanting planning and other activities on the riparian, it can be coordinated in the engineering and processing section.
 4. The management plan for the HCV area for 2021 (January – December) which was approved by the plantation manager on January 26, 2021, which explains that the HCV area is in the form of a riparian, that is, a boundary sign using durable media is installed in the designated riparian area.

Based on the results of field visits at the Batu Gingging riparian block 23 division 1, it is known that:

- There is no border area for the riparian.
- Found traces of pesticide application activities on the riparian.
- The information board of the HCV area is damaged.

During the audit process, the company can show some evidence of improvement, including:

- Documentation in the form of a photo of the installation of information boards on the Batu Gingging riparian area explaining that it is forbidden to poison, electrocute, destroy vegetation, hunt and illegal logging.
- Documentation in the form of photos of the installation of boundary barriers in the form of bamboo rods painted red on the riparian.

However, regarding the evidence of improvement sent by the audit team, the auditor considers that the repair is incidental and not comprehensive, for example:

- Identify the distance between stakes and their need in marking the boundaries of conservation areas.
- Plans and targets for the fulfillment of riparian stakes.
- Education / understanding related to the prohibition of applying pesticides on riparian.

The company has not been able to show evidence that the riparian management (buffer zone) has been managed according to its plan. **Based on explanation above it became Non-Conformity No 2022.10 with Major Category**

7.8.3

For managing POME generated by POM. The company already has a permit for disposing of POME into water bodies (rivers) with the number 503.570/0019/KIPAL/DPMPTSP-DS/VI/2020 dated 24 June 2020 which was approved by the Head of the Investment and Licensing Service Deli Serdang Regency. This permit is valid for 3 years.

POME quality testing document review shown for January to December 2021 all of POME testing parameters are compliant to the standards quality. The following is an example of the test results for the quality of POME for the last months (December), consist of:

Parameter	Unit	Quality Standard	Test Result
BOD ₅	mg/l	100	24.04
COD	mg/l	350	135.59
pH	-	6-9	8.02
Oil an grease	mg/l	25	1.7
N total	mg/l	50	0.65
TSS	mg/l	250	3.80

PermenLH No. 5 of 2014 quality standards.

POME management and monitoring has been reported to related institutions for regular basis per 3 months. On the onsite audit the company also conducted POME quality testing, base on document verification POME testing still accordance minister environmental number 5 year 2014.

Based on the results of field visits in the WWTP area, information was obtained that the POME pump engine to discharge to river area was in a good condition. The company performs special recording of POME that is discharged into the water using the pinot method.

7.8.4

The procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in the piping system of WTP. Base document verification metric template RSPO is known recording water consumption record for period January until December 2021 fresh water usage 158,240 m³ and mill fresh water per produced ton 1.3 (M³ / MT).

Base on field visit known the company can have recorded and monitored water usage per ton of FFB for the period 2021, the method of monitoring water use per ton FFB is carried out with flowmeter.

7.8.2 Status: Non-Conformity No 2022.10 with Major Category

7.9

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

7.9.1

The unit certification already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January until December 2021 Pagar Merbau POM has produces 1,143,366 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 11.57 kwh / ton CPO. Result Direct fossil fuel used is 0.98 kWh/ ton CPO.

Status: Comply

7.10

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

7.10.1

The company has identified source of pollution and air emission sources, including gaseous, particles and shoot emissions and effluent covering emissions and pollution sources from estate and mill operations. The emission source identified from estate and mill operation among others are land use change, vehicle operation, machine operation, fertilizer and pesticide application, use of AC/refrigerator, waste piling and electricity consumption.

Identification of significant GHG gas emission source is identified and the mitigation plan has been developed by the company covering mill and estate. The significant GHG emission among others are land use change, POME, use of fertilizer and pesticide, use of fossil fuel for operation and transport. The mitigation plan among others are correct dosage use for fertilizer and application as recommended, reduce reuse and recycle action, electric use limitation, transport and engine maintenance,

periodic air quality test.

Fossil fuel reducing on Pagar Merbau POM have been implemented by fiber/shell usage for boiler. POME has been monitored every months and monitoring periods January to December 2021 shown that all of POME testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator.

The GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emmison for Pagar Merbau POM and its supply base for period 2021 are listed as follows :

Summary Emission

Emmision per product	tCO2e/tProduct
CPO	0.68
PK	0.68

Production	t/yr
FFB processed	121,723.50
CPO produced	25305.63
PK produced	4544.84

Extraction	%
OER	20.79
KER	3.73

Land use	Ha
Planted area	14189.67
Planted on peat	0.0
Conservation Area Forested	0.0
Conservation Area Non Forested	85.88

Summary of field emission and Sinks

Descripton	Own crop			Group			Total
	tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB	
Emissions Sources							
Land conversion	140145.10	9.88	1.15	0	0	0	140146.10
CO2 emissions from fertilizer	8407.38	0.59	0.07	0	0	0	8407.38
N2O emissions from Peat	0	0	0	0	0	0	0
N2O emissions from Fertilizer	4941.91	0.35	0.04	0	0	0	4941.91
Fuel comsumption	305.88	0.02	0	0	0	0	305.88
Peat oxidation	0	0	0	0	0	0	0
Crop sequestration	-131564.91	-9.27	-1.06	0	0	0	-131564.91

Sequestration in Conservation area	0.00	0	0	0	0	0	0
Total	22236.37	1.57	0.18	0	0	0	22236.37

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	401.10	0.00
Fuel consumption	323.48	0
Grid electricity	762.31	0.01
Credits		
Export of grid electricity	-3302.67	-0.03
Sales of PKS	0	0
Sales of EFB	0	0
Total	-1815.78	-0.02

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

7.10.2

No new planting activities above 15 November 2018, the company did not conduct new land clearing activities or development of operational areas. Land clearing was conducted in 1997. Based on the results of visits in the planting year 2021 it was a replanting area from the 1997 planting year.

7.10.3

The company has identified pollutions and emissions sources of Pagar Merbau POM for the period 2021, such as CO2 (boiler, generator, transportation), CH4 (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2021, such as emissions (CO2, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester II the year 2020 and semester 1 year 2021. Fossil fuel reduction on Pagar Merbau POM have been implemented by fiber/shell usage for the boiler.

Status: Comply

7.11

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

7.11.1

The company has a company management system policy that was approved by the director on November 10th, 2021, which states that in its plantation development and management activities, the company applies no-burn practices and supports initiatives to prevent and control forest fires and haze. Based on the results of the document review and interviews with the management of PT PN II Pagar Merbau Unit, that the company has not developed or cleared new land since 1997. As for

replanting nothing is done by burning, but it is done manually in accordance with the SPK replanting owned. In addition, PTPN II has a procedure for replanting activities (replanting) which includes the stages of work, namely: surveying/measuring the area, planting nuts, construction/rehabilitation of roads, canals, water/terrace, stake, planting holes, planting/stirring so that there is no replanting activity using burning method.

7.11.2

The company has a company management system policy that was approved by the director on November 10th, 2021, which states that in its plantation development and management activities, the company applies no-burn practices and supports initiatives to prevent and control forest fires and haze. In addition, the company has SOP for preventing and overcoming land and estate fires including procedures for handling land and estate fires at PTPN II.

The company already has an emergency response team structure (including fire) consisting of 27 members, this emergency response team monitors fires at all times, and has been trained in preventing and responding to fires. For 2021, an emergency response simulation for estate land fires was carried out by the company internally on July 24th, 2021, which was attended by 15 employees. The training for the firefighting team in the estates organized by PT. Safindo Raya will be held on October 4th to 5th, 2021, which will be attended by 15 employees.

The company has submitted a report on the preparedness of fire systems, facilities and infrastructure for the first semester on July 9th, 2021 to the District Plantation Office. Deli Serdang and Sumatera Utara Province.

7.11.3

The company has a company management system policy that was approved by the director on November 10th, 2021, which states that in its plantation development and management activities, the company applies no-burn practices and supports initiatives to prevent and control forest fires and haze. In addition, the company has SOP for preventing and overcoming land and estate fires including procedures for handling land and estate fires at PT. PN II.

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The company has submitted a report on the preparedness of fire systems, facilities and infrastructure for the first semester on July 9th, 2021 to the District Plantation Office. Deli Serdang and Sumatera Utara Province.

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

PTPN II Tanjung Gabus Estate has been operating since the 1997s and currently the plantation operation has been entering second cycle of planting and there is no new development in the area of audit scope. So that, the RaCP requirements and principle 7 do not applicable to this units (the area that is the scope).

7.12.2

The company carried out HCV identification in May 2017 by involving an independent assessor who has a license from the ALS (RSPO approved HCV assessor) (ALS 16007). In the identification results, it is explained that in the PT PN II Pagar merbau concession area there are only HCV 4, namely rivers and their borders as well as freshwater catchment / swamp areas covering an area of 83.51 hectares, HCV 6, namely sacred graves and public cemeteries with an area coverage an area of 2.37

hectares. In the identification report, it has also been explained that the identification process has involved stakeholders, especially the surrounding villages, such as the Head of Pagar Merbau I Village, Pagar Merbau II Village Head, and Tanjung Garbus II Village Head.

The company shows evidence of communication with the RSPO regarding the review of RSPO documents on July 12, 2021 and on January 27, 2022 there was a reply from the RSPO asking about membership status, on the same day the company has provided a response regarding this matter, but there has been no response from the RSPO.

However, the company has not been able to show that the results of the HCV assessment that have been carried out must be reviewed by an ALS review and are considered satisfactory.

The company has not shown sufficient evidence that the results of the HCV assessment that have been carried out have received an ALS review with satisfactory (satisfactory) results in accordance with the scenario described in the Interpretation of indicator 7.12.2 and Annex 5. **Based on explanation above it became Non-Conformity No 2022.11 with Major Category**

7.12.3

Indicator 7.12.3. is not relevant to Indonesia, until further decisions by the RSPO.

7.12.4

The company already has a management plan for identified HCV areas within the company area for period 2021. This management plan has received input from stakeholders, especially the community around the company. The management plan includes:

1. Monitoring of arboreal and terrestrial flora and fauna
2. Monitoring of damage to HCV areas
3. Planting woody trees on riparian if necessary
4. Monitoring of HCV boundary markers, information boards and prohibition boards
5. Monitor HCV 6 area assessment activities
6. Planting shade trees around the sacred graves.

7.12.5

The company carried out HCV identification in May 2017 by involving an independent assessor Kompasnia Enviro who has a license from the ALS (RSPO approved HCV assessor). In the identification results, it is explained that in the PT PN II Pagar merbau concession area there are only HCV 4, namely rivers and their borders as well as freshwater catchment / swamp areas covering an area of 83.51 hectares, HCV 6, namely sacred graves and public cemeteries with an area coverage. an area of 2.37 hectares. In the report on the identification results, it has also been explained that the identification process has involved stakeholders, especially the surrounding villages such as the Head of Pagar Merbau I Village, Pagar Merbau II Village Head, Tanjung Garbus II Village Head.

Based on HCV identification documents, it is known that there are no customary rights areas in the area identified as HCV at plantation area. Based on documents review and interviews with heads of village, known that the company had been established from the era of Dutch Governance and until now in plantation operations have been replanted (replanting) but there is no new land development and there were no new land clearing activities from 2005 to the present.

7.12.6

The Company showed that the socialization of protected flora and fauna carried out on August 27, 2021 was attended by 24 employees. Base on interview with harvesting, the worker it is known that they have understood the protection of flora and fauna which is socialized by the company.

The company also installed sign board that informs of hunting wildlife prohibiting, conservation responsibility that located on access road. The company shown record regularly patrols period shown company has been monitoring illegal hunting, and

other illegal activities. All of records for daily patrols on each estate are available and verified by auditors. For example RTE patrols summary results on 2021 for conservation area on riparian such as *Spilornis cheela bido*, *varanus salvator*, *tupai javanica* and *parus major*. Meanwhile protected of flora species no found.

7.12.7 and 7.12.8

Based on the results of document review and interviews with the management of PT PN II Unit Pagar Merbau, that the company has not carried out any development or clearing of new land since 1997. And the company carried out HCV identification in May 2017 by involving independent assessor Kompas Enviro who had has a license from ALS. Because there was no new land clearing the company did not identify a High Carbon Value.

7.12.2	Status: Non-Conformity No 2022.11 with Major Category	
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3.2 Conformity Checklist of Certificate and Trademark Use *(Only apply for Surveillance Assessment Report)*

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or √
IC	-	
	Status: -	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
IC	-	
	Status: -	
3.	Implementation of Certificate and Trademark is not used on product	X or √
IC	-	
	Status: -	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
IC	-	
	Status: -	

3.3 Summary of RSPO Partial Certification

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

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?	PT Perkebunan Nusantara III has carried out self-assessment (i.e internal audit) against uncertified management units dated on 1 December 2020 by PT Perkebunan Nusantara III, PT Perkebunan Nusantara III has submitted some self-assessment reports year 2021 on behalf PTPN III, PTPN V, PTPN VI, and PTPN VIII. It has supported evidence of the self-assessment against each requirement such as self assessment reports
2.1.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>PTPN III</p> <p>Based on document verification sighted that all uncertified unit has conducted LUCA and submitted to the RSPO:</p> <ul style="list-style-type: none"> - KRBTN dated 20 August 2021, there are raw non-compliant land clearance with area 489.83 Ha. - KBDY dated 20 August 2021, there are raw non-compliant land clearance with area 116.20 Ha. - KKINO dated 18 August 2021, there are raw non-compliant land clearance with area 477.85 Ha. - KJLRS dated 18 August 2021, there are raw non-compliant land clearance with area 3,823.91 Ha. <p>The KBDBY and KRBTN has conducted HCV-HCS assessment by CV Greenera dated 19 to 23 October 2021. While the KNINO and KJLRS will be assessed on June 2022 by ALS- HCV. The company to be consider to realization this plan on June 2022.</p> <p>PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on</p>

		<p>communication with PT PN III. The company still waiting for Head of District decision response, for land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <ol style="list-style-type: none"> a. Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018. b. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018. <p>PTPN V Based on document review, there was no evidence that the company (PTPN V) has changed any primary forest and/or HCV area into palm oil plantation since November 2005 except Part of Sei Berlian estate (Sei Berlian-2) within forest areas based on Ministry of Forest decree No.SK.878/Menhut-II/2014 jo SK.903/MENLHK/SETJEN/PLA.2/12/2016). The organization has got Land Use Right (HGU) from government before the regulation above was issued so that the organization still coordinating with government about case it. Whereas, Sei Buatan estate, Tanjung Medan estate and Sei Galuh estate still in-process review of disclosure liability by RSPO secretariat so they has not been ensured that no replacement to any identified as HCV areas or required to maintain or enhance HCVs. All planted areas after November 2005 are from re-planting process without NPP replacement. This company is considered old company under State Owned (Ministry of BUMN).</p> <p>PTPN VI Uncertified management units has conducted HCV assessment such as :</p> <ul style="list-style-type: none"> • Unit of Batanghari Business (Batanghari Estate), Unit of Bunut business (Bunut Estate & POM), Unit of Tanjung Lebar business (Tanjung Lebar Estate & POM) & Unit of Durian Luncuk (Aur Gading POM & Durian Luncuk Estate) :
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		<p>Date on 1 January to 11 November 2018 by Samsul Ulum (license : ALS15013US) as lead assessor and some assessor members i.e R.Sukasmianto, Moh.Yasin, Bahrun, Pemi Aprilis, Devis Rachman, Ihwan Rafina, Roland Sinulingga and Endra Gunawan on behalf PT Fodec Khatulistiwa. It has carried out public consultation dated on 20 February 2018 (initial public consultation) & 4 June 2018 (public consultation for the result of HCV assessment). There are some evidences that public consultations has involved stakeholders. Current condition that HCV assessment report has been satisfactory category on 23 March 2021.</p> <ul style="list-style-type: none"> • During audit, other the uncertified management units has not been carried out HCV assessment such as Unit of Ophir business (Ophir POM & estate), Unit of Pangkalan 50 Kota business (Pangkalan 50 Kota estate), Unit of Solok Selatan business (Solok Selatan POM & estate), Bukit Cermin Estate, PT Bukit Kausar & PT MAJI but PTPN VI have budget & the allocation activity plan year 2020 for HCV assessment in Unit of Ophir business, Unit of Pangkalan 50 Kota business and Unit of Solok Selatan business. Allocation Activity Plan year 2020 is postpone because any reduction operational cost in pandemic covid-19. PTPN VI have action plan and estimating cost for HCV assessment include of the review by HCV RN, HCS, LUCA & SIA. Bunut estate & POM, Batang Hari estate and Tanjung Lebar estate have estimate for finalization of HCV RN and LUCA document in year 2021. Whereas, the remain of uncertified management unit is Triwulan I and IV year 2022. Before HCV assessment will doing by RSPO ALS assessor and has review by HCV-RN so uncertified management units has carried out assessment of protected areas refer to Indonesian regulation by internal assessor. <p>Batanghari Business Unit (Batanghari Estate) & Bunut Business Unit (Bunut Estate & POM) has submitted disclosure liability, LUCA & shp file to RSPO and RSPO has responded email from auditee on 29 January 2020 where RSPO is requesting some clarifications and auditee has not been submitted email to RSPO for some clarifications which needed. It is still waiting finalization of LUCA document.</p>
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		<p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate & POM), Unit of Durian Luncuk Business (Aur Gading POM & Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate & POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar & PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form & LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35th BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 & 8 (compensation concept note & compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12 There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p>2nd partial audit was conducted on 24-25 November 2021</p>
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		<p>The Tanjung Lebar Business Unit postponed to February 2022, due to single membership consolidation and approval process by RSPO Secretariat and the Disclosure & Liability of Tanjung Lebar is still pending. While the Disclosure & Liability of Batang Hari Business Unit has approved by RSPO secretariat with Zero Liability dated 20 June 2020; the audit planned on 22 December 2021. Therefore the Disclosure & Liability of Bunut Business Unit is still on process, the latest email from Indrawan Suryadi (RSPO Secretariat) dated 23 November 2021. For the Bunut Business Unit certification plan is on schedule (December 2021).</p> <p>There are also letter for SEVP Operation from Head of Planning & Sustainability with number: ND-312/06.08/XI/2021 dated 25 November 2021 about RSPO certification preparation in Bunut & Batang Hari Business units and also awareness criteria 7.12 RSPO P&C and Risk Analysis for six business units (Ophir, PLK, Solsel, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p> <p>PTPN VII Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Senabing Estate: 2025 and Talopino Estate: 2024).</p> <p>Senabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>PTPN III PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PT PN III. The company still waiting for Head of District decision response, for</p>

		<p>land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <ol style="list-style-type: none"> a. Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018. b. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018. <p>PTPN V</p> <p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate & POM), Unit of Durian Luncuk Business (Aur Gading POM & Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate & POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar & PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form & LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35th BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 & 8 (compensation concept note & compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame</p>
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2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>PTPN III KRBTN There are several area in Afdeling VII were occupied by com- munities and overlap with PT KAI. The unit management have made persuasive efforts to resolve it, however no agreement has been found. Currently was nothing significant land conflict.</p> <p>PTPN V There was land conflict between PT PN V with community in Senama Nenek village, located in Sei Kencana Estate and Terantam Estate for approximately ± 2,800 Ha (± 550 Ha under Terantam Estate and ± 2,250 Ha under Sei Kencana E tate). During this initial audit, this area has been released in accordance with a court decision.</p> <p>PTPN VI PT Perkebunan Nusantara VI have SOP of implementing FPIC, SOP of communication and consultation with community, SOP of handling land conflict including procedure of calculation and compensation.</p>

		<p>Land compensation process has done a few time ago for some areas in uncertified management units (Unit of Bunut Business, Unit of Tanjung Lebar Business, Unit of Batanghari Business, Unit of Durian Luncuk Business, Unit of Ophir Business). The record and document of land compensation on behalf PT Bukit Kautsar has provided by auditee as example photograph of hand over land compensation payment, land compensation letter date on 21 October 2009, letter date on 21 October 2009 from head of village, statement letter date on 21 October 2009 that land owners has agreed land to acquired, measure note date on 21 October 2009, receipt note of land compensation payment, ID card and land owner letter from head of village. Whereas, PT MAJI and Unit of Bukit Cermin Business has provided sample of land compensation i.e payment receipt, photograph of land compensation activity, copy ID card, agreement of payment, statement letter of hand over and legal land.</p> <p>Community who lose access and land right for plantation areas has given the opportunity to benefit (direct and indirect) from plantation development as sample in form of scheme smallholder areas, as employee, as contractor (transportation, supplier for daily food, etc), as FFB supplier, etc.</p> <p>Refer to case tracker or status of complaints under PT Perkebunan Nusantara VI period of February 2011 to during audit that any 1 cases and it has closed based complaint panel decision (since year 2019). Further details on this case are available here: http://www.rspo.org/members/complaints/status-of-complaints/view/26. Unit of Bukit Cermin Business has provided some evidences relate of land compensation record and document from dispute/conflict areas.</p> <p>2nd partial audit was conducted on 24-25 November 2021</p> <p>Based on document log book of external letter verification on the uncertified units sighted that there were no land dispute claim from the communities during period January to October 2021.</p> <p>PTPN VII</p> <p>The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related</p>
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		<p>Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.</p>
<p>2.1.5</p>	<p>Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>PTPN III Based on self assessment in KRBTN, KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on 8-9 November 2021.</p> <p>PTPN V There is no labour issue/dispute found during this initial certification audit.</p> <p>PTPN VI There is a mechanism of resolving grievance and compliant from employee and industrial action. It has covered in the collective labour agreement between PT Perkebunan Nusantara VI and SP- BUN PTPN VI (labour union) period of 2020 to 2021 (article 76 – sub section XIV) and SOP of internal communication and handling employee complaint. Scope of collective labour agreement is all company employees and as a normative reference for subsidiaries. Collective labour agreement has signed by both parties and any evidence of registration about collective labour agreement from Ministry of Man Power has been shown by auditee.</p> <p>Based on self-assessment against uncertified management units, there is no identified labor disputes ongoing at subsidiary companies of PT Perkebunan Nusantara VI. Based on website date on 3 October 2017 that any labour dispute between Mr M. Dasuky Hajar Nasution and PT MAJI. Based on communication with representative of PTPN VI that it has followed up both parties. SP-Bun (labour union) have vital position because based on SOP of internal communication and handling employee complaint that employee's grievance & complaint can be informing to labour union (SP-BUN) and organization will try to resolve complaints at the labour union level and any mechanism solving grievance and compliance from employee on collective labor agreement (PKB)</p>

		<p>2nd partial audit was conducted on 24-25 November 2021</p> <p>The renewable of collective labor agreement period of 2022-2023 is still on process, that the final meeting in Yellow Hotel will be conducted on 25 to 26 November 2021.</p> <p>PTPN VII</p> <p>There are no labour dispute during internal audit assessment, the company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.</p>
<p>2.1.6</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>PTPN III KRBTN</p> <p>Letter from Sumatera Utara Governor with number 520.33/145/DISPMPPTSP/5/I.5/I/2018 dated 25 January 2018 about Revision of commodity from rubber to oil palm plantation in Rambutan Estate. Revision from Rubber: 2,253.35 Ha & Oil Palm 546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha.</p> <p>There are several HGU certificate with HGU number 1 year of 1996 in Sei Bamban Village (569.32 Ha), Sei Priok Village (780.45 Ha), Paya Bagas Village (4,373.78 Ha); and also Sei Simujur Village (1) number 18 year of 2009 with area 793.15 Ha.</p> <p>KBDBY</p> <p><i>Surat Pendaftaran Usaha Perkebunan</i> with number HK.350/530/Dj.Bun.5/VII/2001 Bandar Betsy Estate with area 5,348.90 Ha with commodity rubber. Therefore conversion license from rubber to oil palm with number 503.35/271/17.42018 dated 12 February 2018 with area 116.2 Ha.</p> <p>HGU on process, the latest process are Nota Dinas number 419/ND-300.HP.03.01/VII/2021 from KANWIL BPN Sumatera Utara Province dated 1 July 2021 about Renewal of HGU Bandar Betsy with area 5,348.90 Ha dated 2 July 2021.</p> <p>KJLRS</p> <p>IUP on process due to revision of AMDAL document. However there are HGU number 03 year of 1994 with area 2,318.87 Ha.</p> <p>KKINO</p> <p>IUP on process due to revision of AMDAL document.</p>

		<p>However there are HGU number 122 year of 1999 with area 4,632.60 Ha.</p> <p>Based on Self-assessment there are some conditions not yet compliance with RSPO criteria 2.1 such as:</p> <ol style="list-style-type: none"> 1. HGU on process (Sei Simujur-2, KRBTN): There are letter from Senior Executive Vice President PTPN III dated 22 September 2020 with number BUMU/X/44/2020 to the BPN of Asahan District for Cadastral process. During the audit, the progress of this matter still opened. 2. There is a land conflict (Batang Toru Estate) not yet resolved. <p>PTPN V</p> <p>There has been no significant legal non-compliance in PTPN V and its subsidiary. The company is not in the process of any litigation. PT PN V has acquired HGU (land title) for all of its subsidiaries except the part of Sei Berlian estate (Sei Berlian- 2) because the organization still in-process to get Land Use Right (HGU).</p> <p>PTPN VI</p> <p>Uncertified management units has complied with applicable legal requirement which supported by some evidences such as :</p> <ol style="list-style-type: none"> 1. Some uncertified management units (Ophir Estate & POM, Solok Selatan Estate & POM, Pangkalan 50 Kota Estate, Ba- tanghari Estate, Bunut Estate & POM, Tanjung Lebar Estate & POM, Bukit Cermin Estate, Pinang Tinggi POM, Aur Gading POM, Durian Luncuk Estate & PT Bukit Kautsar) have Plantation Business Permit (Izin Usaha Perkebunan) so they has complied with Minister of Agriculture Regulation no.98/permentan/OT.140/9/2013 article 8 or 10 or 13. 2. Some uncertified management units (Ophir Estate & POM, Solok Selatan Estate & POM, Pangkalan 50 Kota Estate, Batanghari Estate, Bunut Estate & POM, Tanjung Lebar Estate & POM, Bukit Cermin Estate, Aur Gading POM, Durian Luncuk Estate, PT MAJI & PT Bukit Kautsar) have land use right (Hak Guna Usaha) so they has complied with law no.5 year 1960 article 28. One of land use right owned by Durian Luncuk estate still renewal process and one of Bukit Kautsar areas still in-process to get land use right.
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		<ol style="list-style-type: none"> 3. Some uncertified management unit (Sei Bahar II Bunut POM, Solok Selatan POM, Tanjung Lebar Estate & POM, Pinang Tinggi Estate & POM, Bunut Estate, Batanghari Estate, Durian Luncuk Estate & PT Bukit Kautsar) have environment document so they has complied with Minister of Environment Regulation no.05 Year 2012 jo Minister of Environment & Forestry Regulation no.P.38/MENLHK/SETJEN/KUM.1/7/2019 or Minister of Environment Regulation no.13 Year 2010 or Minister of Environment Regulation no.14 Year 2010. 4. Bunut POM and Tanjung Lebar Estate & POM have storage temporary for hazardous & toxic materials waste and their permit so they has complied with Minister of Environment Regulation no.30 year 2009 article 5. 5. Bunut POM and Solok Selatan POM have land application permit so they has complied Minister of Environment Decree no.29 year 2003. 6. Unit of Tanjung Lebar Business, Unit of Bunut Business, Unit of Batanghari Business and Unit of Durian Luncuk Business have permit of release for forest areas from government (Minister of Forestry Decree no.260/KPTS-VII/1988 and no.418/KPTS-II/1990). Whereas, PT Bukit Kautsar have permit of release for forest areas from government too (Minister of Forestry Decree no.69/Kpts-II/1997 & no.443/Kpts-II/1999 and letter from Head of Forestry Agency in Jambi Province no. S.6.802/Dishut/BIPH.1.2/XII/2015). PT Mendahara Agro Jaya Industri have permit of release for forest areas from government too (Minister of Forestry Decree no.954/Kpts-II/1999). 7. Plantation Business Permit (Izin Usaha Perkebunan) on be- half PT MAJI (Head of Tanjung Jabung Timur decree No.30 year 2005) and PT Bukit Kautsar - Pengabuan POM (Governor of Jambi decree No.564/KEP.Gub/Disbun/2011). 8. Environment Document on behalf Ophir Estate & POM (letter no.213/II/DAR-3/1999), Solok Selatan Estate (head of Solok Selatan District decree No.660/152/KLH-2011), Pangkalan 50 Kota Estate (head of capital investment and integration ser- vice decree no.007/IL/DPMPSTSP-LK/II/2020), Aur Gading POM & Durian Luncuk estate (Governor of
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		<p>Jambi Province decree No.171/Kep.Gub/BLHD/2009), Bukit Cermin Estate (approved by No.100.A year 2011 on 3 October 2011) and PT MAJI (approved by No.76 year 2007 on 23 March 2007) was available.</p> <p>A documented system relate of law requirements and mechanism to ensuring compliance with legal compliance and a system to tracking changes to the law and regulation has covered in procedure of updating law and regulation and evaluation of compliance. All uncertified management units has provided the list of relevant law and regulation and the status of compliance because the mechanism to ensuring compliance with legal compliance has been implemented.</p> <p>Auditee has provided a legal land, map of legal land and a procedure of boundary monitoring where boundary monitoring shall be conducting every month and reporting in report of boundary monitoring result. Uncertified management units has provided the report of boundary monitoring result such as Unit of Tanjung Lebar business, Unit of Batanghari business, Unit of Solok Selatan business, Unit of Pangkalan 50 Kota business, Unit of Ophir business, PT MAJI, Unit of Durian Luncuk business, Unit of Bunut business, Unit of Bukit Cermin business and PT Bukit Kautsar.</p> <p>PTPN VII The company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012. The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.</p>
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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 IC Assessment

NCR No.	: 2022.01	Issued by	: Afiffuddin
Date Issued	: 28 January 2022	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.2.2 All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party		
Evidence observed (filled by auditor): The company shows contract documents which have separate clauses regarding the fulfillment of relevant legal obligations, including but not limited to the application of minimum wages, provision of PPE and involving workers in the BPJS Health and Employment program, which are listed in: <ul style="list-style-type: none"> • Agreement Letter Pemel TM (Mature Plant Upkeep) Palm Oil Afdeling I – VII Tanjung Garbus Pagar Merbau Plantation PT PN II Semester I, No. 2.TGP/2.3/PPAB/004/SM I/2020, 23 February 2021, with CV Karya Sentosa, article 14 regarding the obligations of the parties. • Letter of Agreement number DIR/SPJA/04/VI/2021 between PT PN II and CV Barito regarding Transportation of CPO Production PT PN II, dated June 29, 2021, article 10 regarding obligations of the second party. Based on the results of interviews with representatives of contractors and a review of work agreement documents, such as the FFB transport contractor by CV Anugerah, the replanting contractor by PT Semut Merah Beriring and the maintenance contractor by PT Kiat Manunggal Persada, it is known that the work agreement has its own clause regarding the fulfillment of legal obligations relevant and this is known to the contractors. However, regarding the fulfillment of the relevant legal obligations, it has not been proven either by the third party concerned or by the company.			
Non-Conformance Description (filled by auditor): The company has not been able to show proof that the fulfillment of relevant legal obligations by third parties/contractors has been fulfilled in accordance with the agreement.			
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	:		

NCR No.	: 2022.02	Issued by	: Afiffuddin
Date Issued	: 28 January 2022	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour.		
Evidence observed (filled by auditor): The company shows contract documents that have separate clauses that prohibit practices involving child labour, forced labor and workers from trafficking in persons, which include: <ul style="list-style-type: none"> • Agreement Letter Pemel TM (Mature Plant Upkeep) Palm Oil Afdeling I – VII Tanjung Garbus Pagar Merbau Plantation PTPN II Semester I, No. 2.TGP/2.3/PPAB/004/SM I/2020, 23 February 2021, with CV Karya Sentosa, article 14 regarding the obligations of the parties. • Letter of Agreement number DIR/SPJA/04/VI/2021 between PTPN II and CV Barito regarding Transportation of CPO Production PTPN II, dated June 29, 2021, article 10 regarding obligations of the second party. <p>Based on the results of interviews with contractor representatives and a review of work agreement documents, such as the FFB transport contractor by CV Anugerah, the replanting contractor by PT Semut Merah Beriring and the maintenance contractor by PT Kiat Manunggal Persada, it is known that the work agreement has a separate clause that prohibits practices involving child labour, forced labor and trafficking in persons. However, regarding this matter, it has not been proven either by the third party concerned or by the company.</p>			
Non-Conformance Description (filled by auditor): The company has not been able to show evidence that practices involving child labor, forced labor and workers from human trafficking by third parties/contractors have been complied with in accordance with the agreement.			
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	:		

NCR No.	: 2022.3	Issued by	: Afiffuddin
Date Issued	: 28 January 2022	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives in accordance with the applicable regulation		

<p>Evidence observed (filled by auditor): Based on the results of the document review, it is known that in addition to the status of permanent employees, there is also the status of workers, namely <i>Karyawan Tetap Non Golongan</i> (KTNG/ Non-Class Permanent Employees). Furthermore, there is a plan for the appointment of PKWT (Specific Time Work Agreement) employees to become Non-Class Permanent Employees as many as 90 people, but in the recruitment procedures they have not set the mechanism or procedure for the appointment of Non-Class Permanent Employees.</p> <p>Non-Conformance Description (filled by auditor): Based on the explanation above, it is known that the company has not been able to show evidence that procedures are available regarding employee status, namely the status of Non-Class Permanent Employees.</p>
<p>Root Cause Analysis (filled by organization audited):</p>
<p>Correction (filled by organization audited):</p>
<p>Corrective Action (filled by organization audited):</p>
<p>Assessor Evaluation and Conclusion (filled by auditor):</p>
<p>Verified by : _____</p>

NCR No. :	2022.04	Issued by :	Radytio Puspanjana
Date Issued :	28 January 2022	Time Limit :	ASA-1
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	<p>3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p>		

<p>Evidence observed (filled by auditor): As a form of social management, the company has developed/compiled by involving independent parties in conducting social impact assessments related to the company's operational activities. The social impact assessment will be carried out in 2020. Meanwhile, the social impact monitoring plan is described in the environmental permit implementation document (RKL-RPL semester 1 2021), as for the monitored social impact plan:</p> <ul style="list-style-type: none"> • Management and monitoring of the regional economy. • Management and monitoring of employment opportunities. • Management and monitoring of business opportunities. • Management and monitoring of community income • Management and monitoring of public and social facilities. • Management and monitoring of community perceptions. • Management and monitoring of disease vectors and. • Management and monitoring of disease prevalence. <p>There is also a report on the implementation of the social impact monitoring plan described in the 2021 SIA evaluation report, including:</p> <ul style="list-style-type: none"> • Job Opportunities From the observations, the company has a positive impact on the surrounding community, especially employees or their

families who work on plantations. In general, these employees (especially implementing employees) are recruited from local workers. In addition, the company also partners with small businesses around the company for procurement such as stationery, tools, building needs and others. The company periodically opens job vacancies and socializes them through brochures.

- Land

The company's land that borders the community also has an impact on the occurrence of land cultivation. Efforts made by the company in minimizing cultivating actions include repairing and maintaining boundary markers for uncultivated land. As for the land that has been cultivated, the company collects data on the land under cultivation as well as collects data on the individuals who do the cultivation and conducts mediation to the cultivators

By doing it partially by the relevant department, there are potential impacts that arise but are not managed, for example:

- Attention to FFB theft.
- Existence of contractor employees, *PKWT* and permanent employees.
- The social dynamics of the company area around the company
- Employee housing that is occupied by retirees and not.
- Compliance issues related to laws and regulations for third parties (contractors)

Non-Conformance Description (filled by auditor):

The management and monitoring of the SIA carried out by the company has not been carried out comprehensively by integrating between sections / departments that cover all impacts and representative samples of affected parties.

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 : _____

NCR No.	: 2022.5	Issued by	: Afiffudin
Date Issued	: 28 January 2022	Time Limit	: 27 January 2023
NC Grade	: Major	Date of Closing	: 12 April 2022
Standard Ref. & Requirement	: 3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		

Evidence observed (filled by auditor):

The certification unit has carried out a risk assessment and its control in the form of a HIRADC document. The HIRADC document was last updated in December 2021. The document has detailed the potential hazards and precautions to be taken. However, based on the results of field visits and interviews in the field, there are several mitigation actions that have not been implemented, such as marking symbols and OHS warnings in chemical warehouses, emergency response facilities (first aid kit and Fire),

compliance with the use of PPE.

During the audit process, the certification unit has been able to demonstrate improvement efforts, such as installing symbols and warnings. In this regard, the auditor team considers that mitigation efforts/procedures related to OHS problems/issues have not been implemented consistently and thoroughly throughout the operating unit in accordance with the established procedures.

Non-Conformance Description (filled by auditor):

The unit of certification is not yet fully consistent in implementing the established OHS hazard mitigation procedures.

Root Cause Analysis (filled by organization audited):

HIRADC has not been implemented as a whole due to the lack of monitoring from officers at the Plantation/Unit.

Correction (filled by organization audited):

- Disseminate the use of PPE according to the work location in the plantations and mills.
- Monitoring PPE coordinated by the OHS Committee Secretary every 1 month.
- Monitoring the contents of the first aid kit according to the Minister of Manpower and Transmigration Regulation No. PER. 15/MEN/VIII/2008 concerning First Aid in the workplace which is coordinated by the P2K3 Committee Secretary once a month.
- Implementing OHS in the warehouse by installing OHS symbols and signs according to their designation and monitoring by the P2K3 Committee Secretary.
- Appoint a monitoring PIC, namely the P2K3 Committee Secretary in the Plantation Manager's Letter and POM.
- Equip emergency response facilities at the Estate Chemical Warehouse by installing body and eye rinses
- Identify the availability of fire emergency response equipment facilities and make a program for the procurement of fire emergency response equipment facilities.

Corrective Action (filled by organization audited):

Periodic monitoring related to the implementation of OHS according to the established HIRADC

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification February 28, 2022

The company can show proof of improvement in the form of:

1. Minutes of replacing damaged PPE for safety shoes at Pagar Merbau POM on January 28, 2022
2. Socialization of the use of PPE based on work location on 3, 7, 8, 9, 10 February 2022 at Tanjung Garbus Estate
3. Socialization of the use of PPE and the Flow of PPE Replacement in POM on 04 February 2022
4. Checklist for Monitoring the use of PPE in February 2022 in plantations and mills
5. Checklist for Monitoring First Aid Boxes in plantations and mills for the period of February 2022
6. Documentation of the application of OHS in the Estate and POM in the form of completeness of the first aid kit, symbol of OHS and warning of OHS
7. Program for the procurement of facilities and infrastructure for the prevention and control of fires in the Tanjung Garbus plantation which will be completed until 2024

Related to the proof of improvement sent and identification of root causes, corrections and preventive actions, the auditor team assesses that the non-conformities in this indicator have not been met, the company needs to complete additional evidence in the form of:

1. OHS Compliance Monitoring Procedures/Mechanisms
2. Complete proof of improvement in the form of a problem identification document in OHS issues in all operating units and a continuous improvement plan in accordance with the HIRADC document owned
3. Periodic monitoring procedures/mechanisms related to the implementation of K3 according to HIRADC that has been determined in accordance with corrective actions

Auditor Verification April 12, 2022

Evidence of improvement can be shown in the form of:

1. Identification of OHS issues and continuous improvement programs for Tanjung Garbus Estate and Pagar Merbau POM in 2022 which explains work locations/activities, OHS problems, current OSH constraints, root causes, plans for continuous improvement, PIC and improvement deadlines for each type of activity and work locations either in the estate or the POM
2. Revise the Procedure for Identification of Potential Hazards, Assessment and Control of OHS Risks (SOP-TEK-049) by making improvements in the form of adding a description of the evaluation and monitoring procedures for OHS control and implementation.

Regarding the proof of improvement sent, the non conformity in this indicator is declared to have been comply and will be monitored again at the time of the next assessment.

Verified by : **Moh Arif Yusni**

NCR No.	: 2021.06	Issued by	: Afiffuddin
Date Issued	: 28 January 2022	Time Limit	: 27 January 2023
NC Grade	: Major	Date of Closing	: 28 February 2022
Standard Ref. & Requirement	: 6.2.1 Documentation of pay and working conditions in accordance with applicable labour laws are available to the workers in national languages and explained to them in language they understand.		

Evidence observed (filled by auditor):

The Tanjung Garbus Estate Unit employs workers with PKWT status, where based on the work agreement shown, it is stated that the wages paid are based on "applicable provisions" and a work agreement is made between the Tanjung Garbus Estate Unit (located in Deli Serdang Regency with a minimum wage of Rp. 3,188,592) with direct workers.

Based on the results of a review of payroll documents, for example in the period of PKWT salary slips for the period September – November 2021, it is known that the basic wages paid are based on the provisions of the Sumatera Utara Province Minimum Wage, namely Rp. 2,499,423.

The company also shows a simulation of the calculation of the PKWT Wages for PTPN II Tanjung Garbus Estate, which explains that the PKWT wages are based on the number of hours worked in 1 day, i.e. 6 hours, assuming an effective working day of 25 days, the hourly wages obtained if using the UMP (upah Minimum Provinsi) of the Province of Sumatera Utara to Rp. 16663,-. Based on Government Regulation number 36 of 2021 concerning Wages, it is stated that the hourly wage is a month's wage divided by 126.

Based on the explanation above, it is known that the company has not shown the wage requirements in accordance with the applicable labor regulations.

Non-Conformance Description (filled by auditor):

The company has not shown sufficient evidence that the wages of PKWT workers have been paid in accordance with the applicable labor regulations.

Root Cause Analysis (filled by organization audited):

Contract Workers (PKWT) in the PTPN II plantation area are spread over 12 units of oil palm plantations located across the

administrative areas of Deli Serdang Regency, Langkat Regency, Serdang Berdagai Regency, and Binjai City so that it is agreed that wages refer to the Sumatera Utara Provincial Minimum Wage. Regarding the distribution of Contract Workers (PKWT) in 4 administrative areas and the possibility of rotation of plantation placements, in addition to avoiding a decrease in productivity due to social disparities related to different wages, it was agreed that wages refer to the Sumatera Utara Provincial Minimum Wage. furthermore its also added with Employment insurance and health insurance through BPJS, achievement premiums, work tools replacement premiums, uniforms, religious holiday and annual bonuses so that when added up the wages earned will be above the Sumatera Utara Provincial Minimum Wage.

Correction *(filled by organization audited):*

- Sent a letter to the Deli Serdang Regency Manpower Office regarding the Request for Recommendation of Wage for contract workers (PKWT) at PT Perkebunan Nusantara II through letter No. 2.4 – BS / X / 113 / II/2022 February 7, 2022.
- Letter of recommendation about wages from the Deli Serdang Regency Manpower Office No. 565/12/DK-5 FM/DS/2022 regarding Responses to Requests for Recommendations for Wages for contract workers (PKWT) at PT Perkebunan Nusantara II

Corrective Action *(filled by organization audited):*

- Ensuring and monitoring the rights of contract workers in addition to the basic wages still being obtained
- Periodic monitoring of laws and regulations related to wages and continuing to coordinate with Manpower Office in the plantation work area

Assessor Evaluation and Conclusion *(filled by auditor):*

Auditor Verifications on 28 February 2022

The company presented corrective evidence in the form of:

1. Letter from SEVO Business Support No. 2.4-BS/X/113/II/2022 dated 07 February 2022 to the Head of Manpower Office of Deli Serdang Regency, regarding the request for wages recommendation of contract workers (PKWT) at PT Perkebunan Nusantara II
2. Letter from the Head of Manpower Office of Deli Serdang Regency No 565/12/DK-5FM/DS/2022 dated 15 February 2022 to the management of PT Perkebunan Nusantara II regarding the Recommendation for Wages for Perkebunan Nusantara II contract workers (PKWT), in the letter explained that in principle the Deli Serdang Regency Manpower Office agrees as long as the company PT Perkebunan Nusantara II and the workers have agreed as set forth in the Work Agreement for a certain time

Regarding the corrective evidence sent, the non conformity in this indicator is declared to have been comply

Verified by : **Moh Arif Yusni**

NCR No.	: 2021.07	Issued by	: Afiffuddin
Date Issued	: 28 January 2022	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 6.2.7 Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.		

Evidence observed *(filled by auditor):*

Based on the results of field observations and interviews with workers in harvesting activities, it is known that the harvest workers have PKWT status for 5 years and 10 years. Based on the results of the review of the Palm Oil Harvest PKWT Data document for Tanjung Garbus Estate in January 2022, it is known that there are 90 harvest workers with PKWT status, with the longest working period of 11 years.

Based on the explanation above, it is known that the company has employed non-permanent workers (PKWT) for the main work (harvesting) carried out by the certification unit.	
Non-Conformance Description <i>(filled by auditor):</i> The company has not been able to show evidence that the main work, in this case harvesting, is carried out entirely by permanent workers.	
Root Cause Analysis <i>(filled by organization audited):</i>	
Correction <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	: 2022.08	Issued by	: Radytio Puspanjana
Date Issued	: 28 January 2022	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 7.3.1 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.		

Evidence observed *(filled by auditor):*

As a guide in the management of hazardous waste and domestic waste, the company has procedures that regulate this, for example:

1. SOP for Domestic Waste Management (SOP-TEK-059) published on November 29, 2021, which explains the handling of non- hazardous waste domestically from housing, including:
 - Collect solid waste in the trash bin.
 - Collect the waste that has been collected in each housing and put into the garbage pit and not allowed to burn.
2. Work Instructions for handling and storing hazardous waste No. IK-TAN-022-0001 Revision 00 dated 09 July 2020. The Work Instruction explains the mechanism related to hazardous waste management, for example:
 - Used TL lamps are stored in hazardous waste storage.
 - plastic used for chemicals (inner sacks used for chemical and fertilizer packaging) is rolled up and tied with 10 pieces of rope and then stored in the hazardous waste storage.
 - Burlap used for fertilizers, pesticides and other chemicals is rolled up and tied with 10 pieces of rope and then stored in the hazardous waste storage.
3. Work Instructions for the Use of hazardous No. IK-TAN-003-010 Revision 00 dated July 10, 2020. The Work Instruction explains the mechanism related to the management of used pesticide hazardous waste, namely, after the pesticide chemicals have been used up, the former places where the pesticide chemicals are brought to the division office and cleaned are recorded and then recorded. sent to the hazardous waste storage using a cover letter.

However, during the audit, it was discovered that the waste management carried out by the company was not in accordance with the existing procedures, for example:

- Packages of used pesticides, expired hazardous pesticides, used paint packaging and pesticide spray equipment were

<p>damaged in the warehouse of division I Tanjung Garbus office.</p> <ul style="list-style-type: none"> - The used TL lamps are stored in the office of the warehouse clerk, division I, Tanjung Garbus estate. - Packaging of used lubricants at the POM workshop. - Packaging used for used lubricants, used packaging for pesticides and used packaging for water purification chemicals in the POM lubricant warehouse. - Utilization of hazardous waste used for water purification chemical packaging as a water reservoir in the POM WTP area. - Utilization of hazardous waste from used lubricant packaging as a POME filter in POM. - Utilization of hazardous waste used for lubricant packaging as a pump float and some hazardous waste used for hazardous chemical packaging in POM WWTP. - There are no trash bins and trash is dumped beside and behind the division 1 housing estate. <p>Non-Conformance Description <i>(filled by auditor):</i> The implementation of the hazardous waste and domestic solid waste management plan has not been carried out in accordance with the applicable laws and regulations and the established management plan.</p>
<p>Root Cause Analysis <i>(filled by organization audited):</i></p>
<p>Correction <i>(filled by organization audited):</i></p>
<p>Corrective Action <i>(filled by organization audited):</i></p>
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p>
<p>Verified by :</p>

NCR No.	: 2022.09	Issued by	: Radytio Puspanjana
Date Issued	: 28 January 2022	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 7.3.3 The unit of certification does not use open fire for waste disposal.		
<p>Evidence observed <i>(filled by auditor):</i> As a guide in domestic waste management, the company has a Domestic Waste Management procedure (SOP-TEK-059) issued on November 29, 2021 which explains the handling of non-hazardous waste domestic waste from housing, including:</p> <ul style="list-style-type: none"> - Collect solid waste in the trash bin. - Collect the waste that has been collected in each housing and put into the garbage pit and not allowed to burn. <p>Based on the results of the field visits, it is known that:</p> <ul style="list-style-type: none"> - Domestic waste burning activities were found in the Division 1 Housing and the Rear Area of the 7 Afdeling Office. - Found traces of domestic waste burning in the area near the loading ramp area <p>Non-Conformance Description <i>(filled by auditor):</i> The company has not been able to show sufficient evidence that in carrying out waste management it has not completely used open burning for its destruction.</p>			

<i>Root Cause Analysis (filled by organization audited):</i>
<i>Correction (filled by organization audited):</i>
<i>Corrective Action (filled by organization audited):</i>
Assessor Evaluation and Conclusion (filled by auditor):
Verified by :

NCR No.	: 2022.10	Issued by	: Radytio Puspanjana
Date Issued	: 28 January 2022	Time Limit	: 27 January 2023
NC Grade	: Major	Date of Closing	: 28 February 2022
Standard Ref. & Requirement	: 7.8.2 Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).		

Evidence observed (filled by auditor):

The plan for protecting watersheds and wetlands in the form of riparian is described in several documents, including:

1. SOP-TEK-057 revision 0 published on November 29, 2021 regarding the riparian management mechanism. The river border management plan includes:
 - Making permanent boundary posts in the form of reinforced concrete iron/wooden pegs with a length of 130 cm with a distance between stakes of 25 – 150 meters.
 - Measure the cross-sectional dimensions of the riparian area.
 - Maintaining the sustainability of river functions and overcoming the potential for pollution from chemical and fertilizing activities.
2. The HCV assessment document for the Tanjung Garbus plantation in May 2019 which explains the determination of the area of the riparian refers to the regulations that apply to Presidential Decree 32 of 1990, so that the recommended riparian for the Galang and Batu Gingging rivers is 50 meters from either side of the river. Based on the document, there is a prohibition on the use of synthetic chemicals (fertilizers & pesticides) on riparian.
3. Riparian protection letter No. SEVP OP/2/225/VIII/2021 from the Senior Executive Vice President to the general manager of PT PN II dated August 25, 2021. Based on the letter, the following information was obtained:
 - The estate manager marks the riparian area 50 meters on the right and left of the river. - The estate manager makes an inventory of the riparian area.
 - Plant maintenance is not allowed to use chemical / synthetic chemicals, but manual maintenance.
 - In order to maintain biodiversity, especially at riparian and prevent erosion, it is not permitted to clear/clean plants along the riparian.
 - Related to replanting planning and other activities on the riparian, it can be coordinated in the engineering and processing section.
4. The management plan for the HCV area for 2021 (January – December) which was approved by the plantation manager on January 26, 2021, which explains that the HCV area is in the form of a riparian, that is, a boundary sign using durable media is installed in the designated riparian area.

Based on the results of field visits at the Batu Gingging riparian block 23 division 1, it is known that:

- There is no border area for the riparian.
- Found traces of pesticide application activities on the riparian.
- The information board of the HCV area is damaged.

During the audit process, the company can show some evidence of improvement, including:

- Documentation in the form of a photo of the installation of information boards on the Batu Gingging riparian area explaining that it is forbidden to poison, electrocute, destroy vegetation, hunt and illegal logging.
- Documentation in the form of photos of the installation of boundary barriers in the form of bamboo rods painted red on the riparian.

However, regarding the evidence of improvement sent by the audit team, the auditor considers that the repair is incidental and not comprehensive, for example:

- Identify the distance between stakes and their need in marking the boundaries of conservation areas.
- Plans and targets for the fulfillment of riparian stakes.
- Education / understanding related to the prohibition of applying pesticides on riparian.

Non-Conformance Description (filled by auditor):

The company has not been able to show evidence that the riparian management (buffer zone) has been managed according to its plan.

Root Cause Analysis (filled by organization audited):

- Ineffective understanding and implementation of SOP-TEK-057 HCV Management and Monitoring to TGP Plantation Management and TGP Plantation Employees who have been socialized previously.
- There is no HCV management and monitoring team at Tanjung Garbus Estate

Correction (filled by organization audited):

- Disseminate the determination of the HCV team, HCV Management and Monitoring Procedures referring to SOP-TEK-057 & Prohibition of chemical application in the watershed to Estate Management and the HCV Monitoring Team.
- To determine the determination of the HCV Monitoring Team in Estate Manager Decree No. 2.TGP/KPTS//2022 concerning the Appointment of the Personnel Team for Monitoring the High Conservation Value (HCV) Tanjung Garbus Pagar Merbau Estate.
- Conducting socialization of the prohibition of spraying to maintenance personnel delivered by the assistant afdeling directly and also installing no-spray signage along the watershed.
- Identifying and installing greenbelt stakes in HCV 4 areas.

Corrective Action (filled by organization audited):

- Ensure socialization related to HCV 4 on an ongoing basis.
- Ensuring that the activities carried out by the HCV monitoring team are carried out regularly every periodical and that the reporting is documented.
- Ensuring the installation of greenbelt stakes in the HCV 4 area runs according to the program that has been made.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verifications on 28 February 2022

The company presented corrective evidence in the form of:

- Decree of Tanjung Garbus Pagar Merbau Estate Manager No. 2.TGP/KPTS//2022 regarding the appointment of a team of personnel for monitoring HCV Tanjung Garbus Pagar Merbau Estate
- Socialization of the determination of the HCV team, Management & Monitoring of HCVs, prohibition of chemical application in river borders on February 01, 2022 to the management of Tanjung Garbus Estate
- Socialization of the prohibition of spraying river borders on 08 and 09 February 2022 to estate employees
- Documentation of the installation of green belt stakes and HCV planks in the tanjung garbus estate's border area

- Inventory and Installation Program of Green Belt stake River Border at Tanjung Garbus Pagar Merbau Estate which is planned to be completed until Semester II of 2023

Regarding the proof of improvement sent, the non conformity in this indicator is declared to have been comply and will be monitored again at the time of the next assessment.

Verified by : **Moh Arif Yusni**

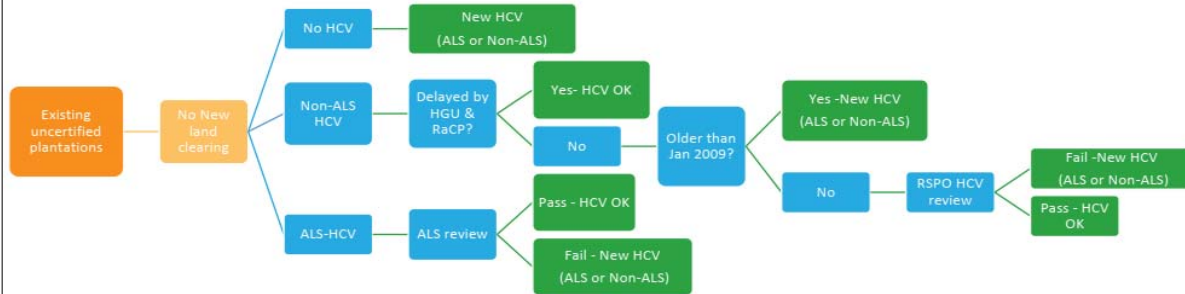
NCR No.	: 2022.11	Issued by	: Radytio Puspanjana
Date Issued	: 28 January 2022	Time Limit	: 27 January 2023
NC Grade	: Major	Date of Closing	: 18 October 2022
Standard Ref. & Requirement	<p>7.12.2 HCV and HCS forests, and other conservation areas are identified as follows: a. For existing plantations, with an HCV assessments conducted by RSPO-approved assessors and have no new land clearing after 15 November 2018, the existing HCV assessments remains valid b. Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the latest HCSA Toolkit and HCV-HCSA Assessment Manual that is applicable at the time of the assessment. This includes stakeholder consultation and take into account wider landscape- level consideration.</p>		

Evidence observed (filled by auditor):

Based on the study of several documents, several things were found:

1. High Conservation Value Identification Report document at PT Perkebunan Nusantara II Pagar Merbau in 2017 involving an independent appraiser who has a license from ALS (ALS 16007).
2. Notification letter from HCVRN (ALS Quality Manager) on April 28, 2016 regarding the provision of a temporary license on behalf of HM with license number ALS 16007.
3. The company shows evidence of communication with the RSPO regarding the review of RSPO documents on July 12, 2021 and on January 27, 2022 there was a reply from the RSPO asking about membership status, on the same day the company has provided a response regarding this matter, but there has been no response from the RSPO.
4. Based on the interpretation of indicator 7.12.2 and Annex 5, that companies that do not have RSPO certificate and do not conduct new opening and have conducted an HCV assessment by involving an independent party who has been licensed ALS, the results of the HCV assessment that have been carried out must be reviewed by ALS review and considered satisfactory (satisfactory). However, the company has not shown sufficient evidence that the results of the HCV assessment that have been carried out have received an ALS review with satisfactory results.

4.2 Existing Uncertified Plantations (No New Land Clearing)



Non-Conformance Description (filled by auditor):

The company has not shown sufficient evidence that the results of the HCV assessment that have been carried out have received an ALS review with satisfactory results in accordance with the scenario described in the Interpretation of indicator 7.12.2 and Annex 5.

Root Cause Analysis (filled by organization audited):

Tanjung Garbus Estate has not carried out land clearing since November 2005-15 November 2018 other than that there are no plans for new land clearing and planting conversions in the long-term plan for the next 5 years. The Tanjung Garbus Estate HCV document was prepared in 2019 by a Non-ALS Assessor, the procedure used for the HCV document is based on flowchart 4.2 through the RSPO HCV Review (Non-ALS Review) submission on 11 May 2021. However, because at that time PTPN II was still under review. process for RSPO single membership so that HCV review by the Compensation Panel cannot be carried out (PTPN II registered under PTPN III on 19 November 2021). In connection with the membership process that was approved in November 2021, PTPN II submitted a review process to the RSPO Secretariat using the checklist from Annex 5 to obtain satisfactory status.

Correction (filled by organization audited):

The Office of the Board of Directors of PTPN II Sub Division of Certification, OHS and Environment conducted

- follow-up regarding the HCV document review process by the Compensation Panel (Based on an email from the Compensation Panel on February 7, 2022, the HCV Document for TGP Estates has entered the review queue on February, 2022). Proof of compliance is attached in an email from the RSPO Compensation Panel dated 7 February 2022.
- made improvements to the HCV document to the RSPO Secretariat and it has obtained satisfactory status through email from the RSPO Secretariat on 18 October 2022.

Corrective Action (filled by organization audited):

Monitoring and updating the progress of document review by intensively communicating to the RSPO Compensation Panel.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification on 28 February 2022

The company can show proof of improvement in the form of communication to RSPO Compensation regarding the Follow Up Status Of Review of HCV Tanjung Garbus Estate PTPN II on 02 February 2022 and a response by RSPO on 07 February 2022 where the response from RSPO Compensation is "HCV Tanjung Garbus Estate PTPN II review has been scheduled in February, tentatively 23 February and completed in 9 March" .

In this regard, the nonconformity in this indicator has not been met because the results of the review stating "satisfactory" are not yet available

Verification on 12 April 2022

Can be shown an email from RSPO Compensation explaining that there are still records and need to be corrected. In this regard, PTPN II has responded again on April 8, 20202 but there has been no response from the RSPO.

In this regard, the nonconformity in this indicator has not been met because the results of the review stating "satisfactory" are not yet available

Verification on 18 October 2022

There is email from RSPO Secretariat on behalf of No Deforestation Help Desk which described about RSPO HCV review conclusion for PTPN II Tanjung Garbus Pagar Merbau was completed with the HCV report TGPM is deemed Satisfactory and Accepted.

Regarding the proof of improvement sent, the non conformity in this indicator is declared to comply.

Verified by	:	Moh Arif Yusni
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3.4.2. Opportunity for Improvement

No	Ref.	Description
1	1.1.5	Regarding the list of stakeholders owned by the company, it is encouraged to update it regularly regarding the stakeholder, contact number and level of interest with the company. Such as added: <ul style="list-style-type: none"> - Hazardous waste management contractors PT Sumatera Deli Lestari Indah and PT Indostar Agro. Gender committee. - Consultant PT Koompasia enviro institute - Pagar Merbau Village I. - Kuala Namu Emplasmen Village. - Perbarakan Village. - Department of Industry and Trade Legal Metrology Regional Technical Implementation Unit.
2	2.1.3	The company encouraged to realize the installment of boundaries stone in accordance with the program which developed
3	3.7.1	Companies are encouraged to gradually increase understanding among employees regarding the principles and criteria of the RSPO according to the level of need and purpose.
4	3.7.3	Based on interview with workers it was known they has been understood about SCCS, however Companies are encouraged to continue to conduct training for employees related to understanding SCCS, because the results of interviews show that several employees have not mastered it in detail.
5	4.2.4	Based on the results of interviews and field visits, it is known that there are still residential areas inhabited by retirees and their families, where there is a tendency for resistance/complaint actions to occur when they are told to leave housing, so companies are encouraged to anticipate potential complaints that will increase because of this.
6	6.1.5	Based on the results of interviews with female workers, workers are aware of the existence of a Gender Committee, however, regarding the existence of a Gender Committee, it is only limited to socialization and does not include work programs for empowerment or activities aimed at improving women's skills. So that companies have opportunities for improvement by ensuring the existence of a Gender Committee program and its realization related to empowerment and activities to improve women's skills.
7	6.2.2	<ol style="list-style-type: none"> 1. Based on the results of the document review, it is known that the company already has a list of workers, a work agreement along with related documents that regulate detailed wages and work requirements, as well as a salary detail document that provides accurate information on compensation for the work performed. In addition, the company has also carried out socialization, one of which is through the installation of information boards related to the prohibition of bringing family members or relatives who are not registered to help with work in the field, but by looking at the cultural conditions of the community around the company area, the company has the opportunity to further increase supervision from application of these rules. 2. Companies are encouraged to continue to follow up the process of extending the CLA at the ministry
8	6.2.4	The company has provided housing facilities for workers which are equipped with supporting facilities including electricity and clean water. However, the housing facilities provided at this time are of the semi-permanent type and at the time of the visit the housing area looks already damaged and aging. Therefore, the company has the opportunity to improve it by evaluating the condition of the housing area and its supporting infrastructure.
9	6.7.1	The result of document verification shows that the process of changing the OHS structure is being

No	Ref.	Description
		carried out, this is why the unit of certification is encouraged to ensure that the process has been completed.

3.4.3. Noteworthy Positive Components

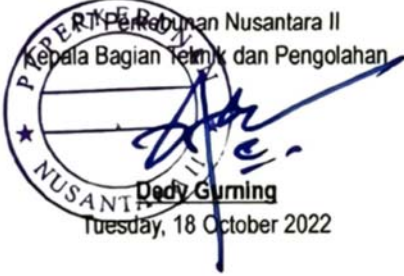
No	Description
1	Has received the Blue PROPER period 2019-2020.
2	Treating POME using biogas installations.
3	Has obtained an SMK3 certificate
4	Has obtained ISPO certificate

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Perbarakan Village Head Tanjung Mulia Village Head Tanjung Garbus Village Head</p> <p>The communication and relation between villages around with company are well maintained, the company's public relation already known by the communities. The mechanism for complaint and grievance submission has been understood well by the community.</p> <p>There are no indigenous rights or customary rights. It also known that compensation process is done directed to the land owner and landowners are given the freedom to release their land without coercion. Tanjung Garbus estates (PTPN 2) operational areas were not derived from indemnity land, but ex concession from a dutch colony that been nationalized on 1959</p>	<p>The CH has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in criteria 4.4;4.5;4.7 and 4.8</p>
<p>Plantation Agency</p> <p>Interviewee: Head Of Plantation, Deli Serdang Regency</p> <ul style="list-style-type: none"> - There have been no land fires in the last year - there are no indigenous peoples in the company's operational areas - the company carries out CSR programs on a regular basis - no overlapping operational areas with mining 	<p>There were no negative issues that need further verification. Described in detail in criteria 7.11; 7.1; 7.3</p>
<p>Labor Agency</p> <p>Interviewee: Head Of Industrial Relations, Deli Serdang Regency</p> <ul style="list-style-type: none"> - There are no issue regarding wages and industrial relations during the past one year - the coordination and relationship between the company and the service is considered quite good - Employment rules are regulated in the Company Regulations and are still valid up to now - there are no issues related to child labor and discrimination - there are no training or socialization activities within the company due to the covid 19 pandemic 	<p>There were no negative issues that need further verification</p>
<p>Environment Agency</p> <p>Interviewee: Head Of PPKL, Deli Serdang Regency</p> <ul style="list-style-type: none"> - All mandatory reports related environmental has been reported to agency. There is no complaints from stakeholder related environmental issue - there is no land application permit but there is a liquid waste disposal permit 	<p>POME is still below the quality standard. Described in detail in criteria 3.3; 3.4; 4.3; 4.4</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Plantation Workers Union of estate units</p> <ol style="list-style-type: none"> 1. The election of the chairman and management is carried out by direct election by the members without any intervention from the company. 2. The union has been registered with the Department of Manpower 3. The current term of office of the management is 2019 – 2024 4. The number of members updated January 2022 ± 168 people. 5. New CLA has been signed, but still in the process of bookkeeping and registration at the Manpower Office 6. Wages refer to the Provincial Minimum Wage 7. Overtime is available as needed and the calculation is in accordance with government regulations 8. Relationships with the company are harmonious 9. Meetings are conducted incidentally 10. There are no complaints from workers regarding PPE, wages, facilities and infrastructure and others. 11. BPJS has been fully registered for both Health and Employment 12. Menstrual leave and maternity leave are available 	<p>It has been explained in criteria 6.1 – 6.6.</p>
<p>Plantation Workers Union of mill units</p> <ol style="list-style-type: none"> 1. The election of the chairman and management is carried out by direct election by the members without any intervention from the company. 2. The union has been registered with the Department of Manpower 3. The current term of office of the management is 2019 – 2024 4. The number of members updated January 2022 ± 168 people. 5. New CLA has been signed, but still in the process of bookkeeping and registration at the Manpower Office 6. Wages refer to the Provincial Minimum Wage 7. Overtime is available as needed and the calculation is in accordance with government regulations 8. Relationships with the company are harmonious 9. Meetings are conducted incidentally 10. There are no complaints from workers regarding PPE, wages, facilities and infrastructure and others. 11. BPJS has been fully registered for both Health and Employment 12. Menstrual leave and maternity leave are available 	<p>It has been explained in criteria 6.1 – 6.6.</p>
<p>Gender committee estate and mill</p> <ol style="list-style-type: none"> 1. Gender committee was formed in 2019 	<p>It has been explained in criteria 6.5.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ol style="list-style-type: none"> 2. Personnel consists of men and women 3. No cases of sexual harassment 4. Child care is available 5. There is no discrimination related to work between male workers and female workers 	
<p>FFB transportation contractor (CV Anugerah) & replanting contractor (PT Semut Merah Beriring)</p> <ol style="list-style-type: none"> 1. For contractor workers, they must be more than 18 years old or there must be an ID card 2. BPJS just registered 3. PPE provided by contractor 4. Wages paid more than Rp. 2.5 million 5. Contractor workers already have operator permits 6. Provided a house by the company 7. There is supervision by the company such as related to compliance with the use of PPE. 8. No complaints while working together 9. Payment has been according to the agreement 	<p>It has been explained in criteria 2.2.</p>
<p>Upkeep contractor (PT Kiat Manunggal Persada)</p> <ol style="list-style-type: none"> 1. Cooperation in the maintenance of post-replanting areas in Afdeling 4 and 6 2. Contractor workers are recruited from the area around the company 3. The age of the worker that can be accepted by the contractor is 18 years 4. PPE provided by contractor 5. There are no problems with payment 6. There is no work contract with contractor workers 7. There has been training by the company for contractor workers 	<p>It has been explained in criteria 2.2.</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 style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Dedy Gurning Tuesday, 18 October 2022</p> </div> <div style="text-align: center;"> <p>PT Mutuagung Lestari Lead Auditor</p>  <p>Moh Arif Yusni Tuesday, 18 October 2022</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Perbarakan Village Head	Deli Serdang Regency	-	Communication	25 January 2022	✓	-
2	Tanjung Mulia Village Head	Deli Serdang Regency	-	Communication	25 January 2022	✓	
3	Tanjung Garbus Village Head	Deli Serdang Regency	-	Communication	25 January 2022	✓	
4	Plantation Agency	Deli Serdang Regency	-	Communication	25 January 2022	✓	
5	Environment Agency	Deli Serdang Regency	-	Communication	25 January 2022	✓	
6	Manpower Agency	Deli Serdang Regency	-	Communication	25 January 2022	✓	
7	Land Agency (BPN)	Deli Serdang Regency	-	Communication	25 January 2022		
8	Local contractor (CV Anugerah, PT Semut Merah Beriring and PT Kiat Manunggal Persada)	Deli Serdang Regency	-	Communication	25 January 2022	✓	
9	Plantation Workers Union of mill and estate units	Deli Serdang Regency	-	Communication	25 January 2022	✓	
10	Gender Committee of mill and estate units	Deli Serdang Regency	-	Communication	25 January 2022	✓	
11	WALHI	Indonesia	informasi@walhi.or.id	Questionnaire	14 January 2022		✓
12	Sawit Watch	Indonesia	info@sawitwatch.or.id	Questionnaire	14 January 2022		✓
13	WWF Indonesia	Indonesia	wwf-indonesia@wwf.or.id	Questionnaire	14 January 2022		✓
14	Pagar Merbau POM - Biogas Plan 1 worker. - WTP operator 1 worker. - Storage officer 2 workers. - WWTP operator 1 worker. - Grading office 1 worker. - Sterilizer operator 1 worker. - Engine Room operator 1 worker. - Workshop	Sub District of Pagar Merbau Deli Serdang Regency	-	Communication	26 January 2022	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	mechanic 3 worker.						
15	Tanjung Garbus Estate - Body shower PIC 1 worker. - Fire Fighting Facilities storage 1 worker. - Agrochemicals Warehouse & Fertilizer 2 workers. - HGU stakes monitoring PIC 1 worker. - Harvesting 6 worker. - Upkeep workers : 6	Sub District of Pagar Merbau Deli Serdang Regency	-	Communication	25 January 2022	✓	

Appendix 2. Assessment Program		
DATE	24 – 28 January 2022	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED	AUDITOR
Monday, 24 January 2022		
07.35 – 10.00	JAKARTA → MEDAN	All Auditor
11.00 – 12.00	MEDAN → Pagar Merbau Mill	
14.00 – 15.00	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
15.00 – 17.00	<ul style="list-style-type: none"> • Verification of Basic Information Mill and Estate • Confirmation of Time Bound Plan • Review of Partial Certification • public consultation with stakeholder <ul style="list-style-type: none"> ○ Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier 	All Auditor
Tuesday, 25 January 2022		
08.00 – 12.00	<ul style="list-style-type: none"> • Public consultation with stakeholder <ul style="list-style-type: none"> ○ public consultation with stakeholder to relevant agency in Deli Serdang Regency (by Phone) ○ Stakeholder consultation to affected communities surrounding the plantations and previous land owner 	AFD
08.00 – 12.00	Field Observation to Tanah Garbus Estate Aspect to be verified: <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place). 	MAY, RPJ & FTJ
12.00 – 14.00	Break	All Auditor
14.00 – 15.00	<ul style="list-style-type: none"> • Continued field observation and interview with stakeholders (if needed). 	All Auditor
15.00 – 16.15	<ul style="list-style-type: none"> • Document review and completing audit checklist. • Presentation of Daily Progress. 	

DATE	24 – 28 January 2022	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED	AUDITOR
16.15 – 17.00		
Wednesday, 26 January 2022		
08.00 – 12.00	<ul style="list-style-type: none"> Continued field observation and interview with stakeholders (if needed). interview with related personnel's during field observation (teleconference) document review and completing audit checklist. 	All Auditor
12.00 – 14.00	Break	
14.00 – 16.15	Field observation to Pagar Merbau Mill: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of Employment Procedure and Mechanism Aspect 	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> Presentation of Daily Progress. 	
Thursday, 27 January 2022		
08.00 – 12.00	<ul style="list-style-type: none"> Continued field observation and interview with stakeholders (if needed). interview with related personnel's during field observation (teleconference) document review and completing audit checklist. 	All Auditor
12.00 – 14.00	Break	
14.00 – 16.00	<ul style="list-style-type: none"> PCR Test as flight requirement for Flight to Jakarta. 	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> Presentation of Daily Progress. 	
Friday, 28 January 2022		
08.00 – 09.30	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
09.30 – 11.00	Closing Meeting: <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 	
12.00 – 13.00	Pagar Merbau Mill → MEDAN	All Auditor
15.00 –	MEDAN → JAKARTA	All Auditor