

*Roundtable on Sustainable Palm Oil Certification*  
*RSPO*

**[✓] Recertification**

Name of Management Organisation	: Pangkatan Palm Oil Mill – PT Pangkatan Indonesia subsidiary of MP Evans Group PLC		
Plantation Name	: PT Pangkatan Indonesia: Pangkatan Estate PT Bilah Plantindo: Bilah Estate PT Sembada Sennah Maju: Sennah Estate		
Location	: Village of Perkebunan Pangkatan, Sub District of Pangkatan, District of Labuhanbatu, Province of Sumatera Utara, Indonesia		
Certificate Code	: MUTU-RSPO/051		
Date of Initial Registration	: 19 October 2012		
Date of Certificate Issue	: 09 December 2022	Date of License Issue	: 19 January 2023
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
RC-2	17 to 21 October 2022	Moh Arif Yusni (Lead Auditor), Yudhi Yuniarto Tallutondok, Rahmat Abdiansyah, Ririn Wahyuni Sipayung	Harso Yuli Antena	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
RC-2	09 December 2022

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

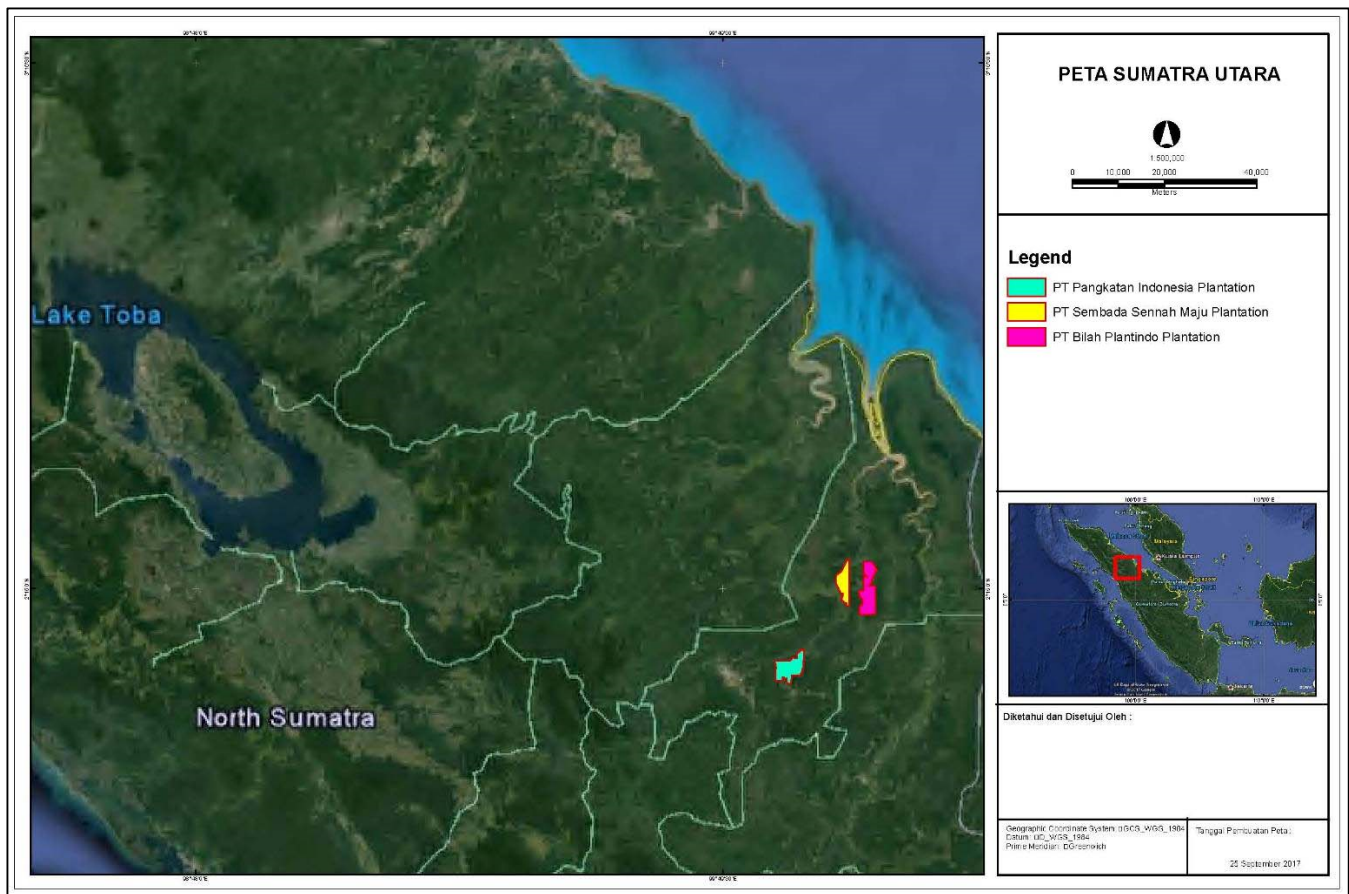


Figure 2. Operational Map of PT Pangkatan Indonesia

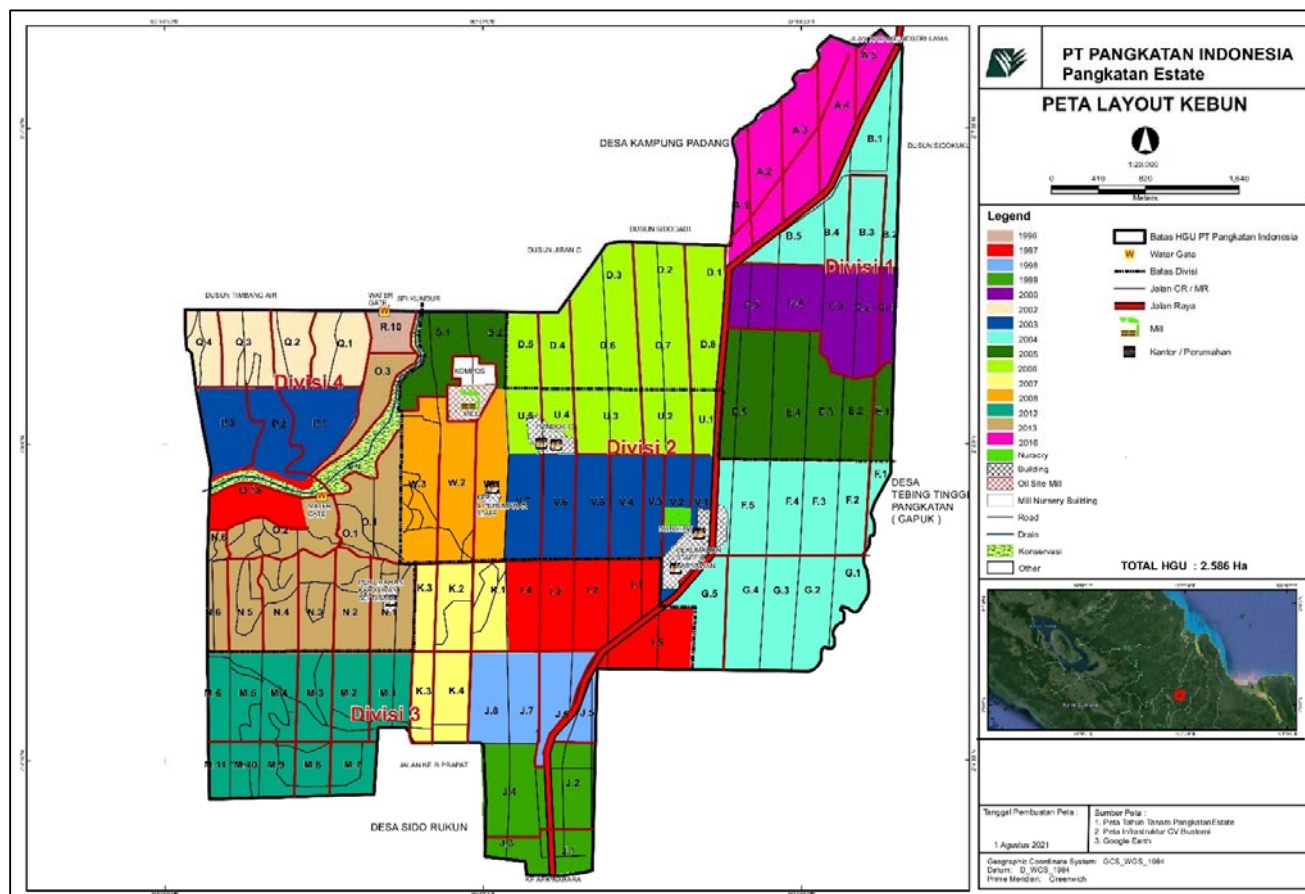


Figure 3. Operational Map of PT Bilah Plantindo

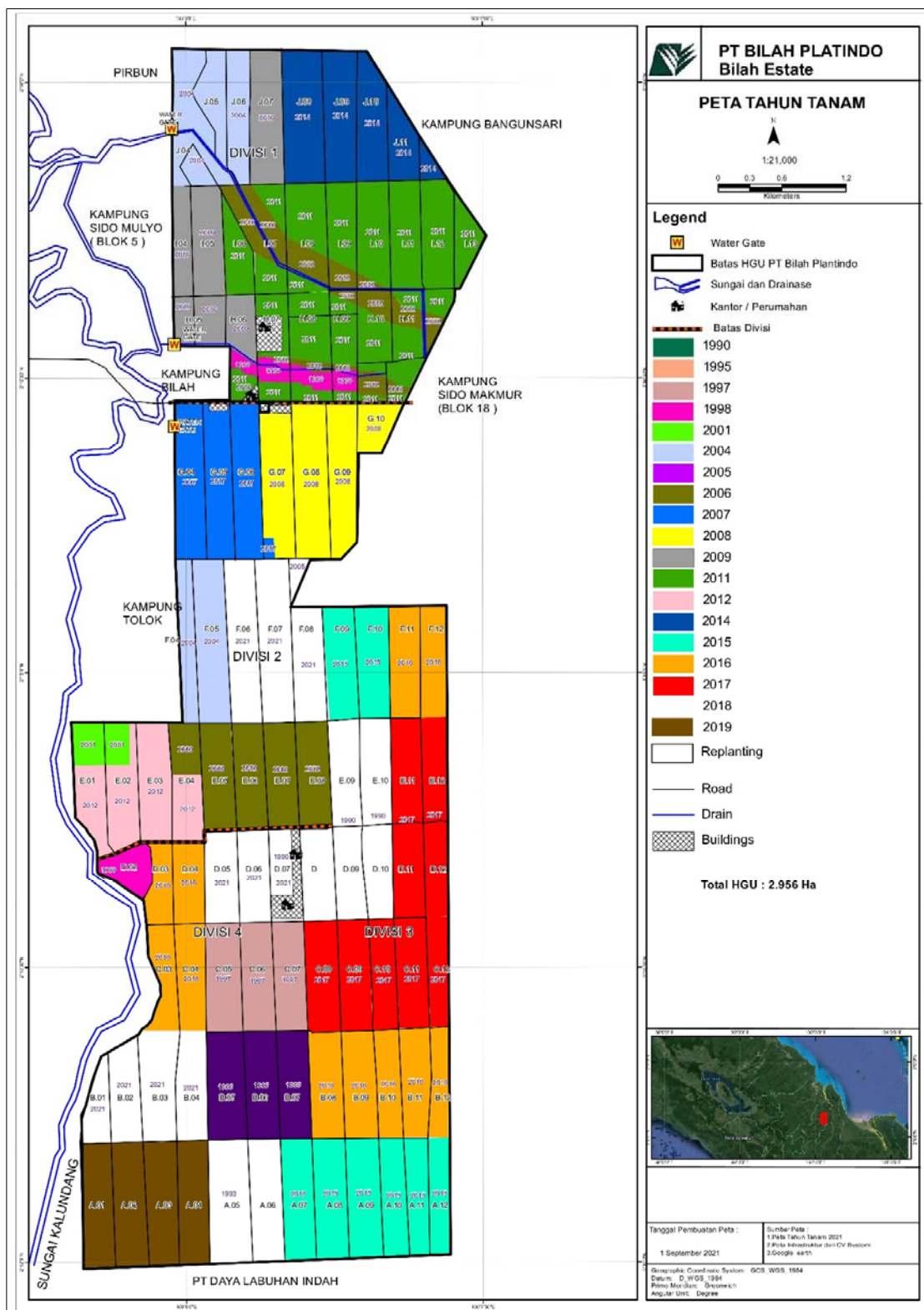
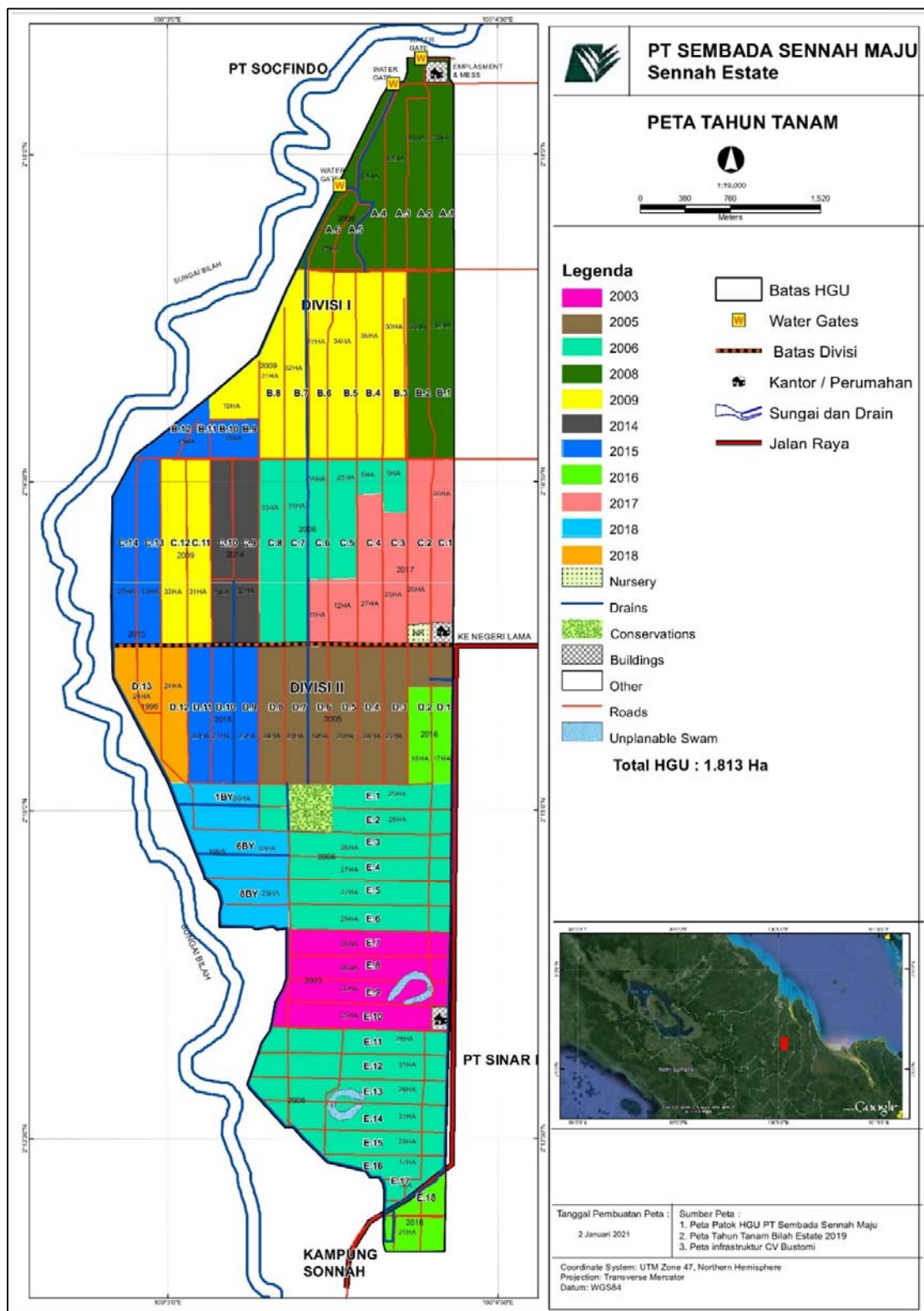




Figure 4. Operational Map of PT Sembada Sennah Maju



**Abbreviations Used**

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

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



1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li><li>Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Pangkalan Palm Oil Mill subsidiary of MP Evans Group PLC	
1.2.2	Contact person	Arvind Devadasan	
1.2.3	Organisation address and site address	RSPO registered company: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan	
1.2.4	Telephone	021-52920338	
1.2.5	Fax	021-52920339	
1.2.6	E-mail	<a href="mailto:arvind@mpevans.co.uk">arvind@mpevans.co.uk</a>	
1.2.7	Web page address	<a href="http://www.mpevans.co.uk">www.mpevans.co.uk</a>	
1.2.8	Management Representative who completed the application for certification	Arvind Devadasan (Manager Sustainability & Certification)	
1.2.9	Registered as RSPO member	1-0027-06-000-00, since 8 October 2006	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : <ul style="list-style-type: none"><li>Pangkalan POM (PT Pangkatan Indonesia)</li><li>Pangkalan Estate (PT Pangkatan Indonesia)</li><li>Sennah Estate (PT Sembada Sennah Maju)</li><li>Bilah Estate (PT Bilah Plantindo)</li></ul>	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Pangkalan POM	Perkebunan Pangkatan Village, Pangkatan Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 5.2' 59.5"E 99° 56' 52"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Pangkalan Estate (PT Pangkatan Indonesia)	Perkebunan Pangkatan Village, Pangkatan Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 05' 29"E 99° 58' 01"
	Sennah Estate (PT Sembada Sennah Maju)	Perkebunan Sennah Village, Bilah Hilir Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 15' 43"E 100° 04' 12"

	Bilah Estate (PT Bilah Plantindo)	Perkebunan Bilah Village, Bilah Hilir Sub District, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 16' 46"	E 100° 06' 22"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		7,409.31 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	Description	Pangkatan Estate	Sennah Estate	Bilah Estate	Total
	• Total area	2,586.03	1,813.40	3,009.88	7,409.31 Ha
	• Mature area	2,430.00	1,681.00	2,489.00	6,600.00 Ha
	• Immature area	0	0	366	366 Ha
	• Mill	15.00	0	0	15.00 Ha
	• Infrastructure	82.62	78.00	99.00	259.62 Ha
	• Nursery	4.00	6.00	0	10.00 Ha
	• HCV / Conservation Area	38.40	13.00	1.00	52.40 Ha
	• Other	16.01	35.40	54.88	106.29 Ha
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Pangkatan Estate	Sennah Estate	Bilah Estate	Total
	1996	15.00	-	-	15.00
	1997	146.00	-	93.00	239.00
	1998	89.00	-	31.00	120.00
	1999	95.00	-	-	95.00
	2000	103.00	-	-	103.00
	2001	-	-	24.00	24.00
	2002	109.00	-	-	109.00
	2003	248.00	105.00	-	353.00
	2004	348.00	-	87.00	435.00
	2005	179.00	148.00	-	327.00
	2006	281.00	444.00	190.00	915.00
	2007	96.00	-	110.00	206.00
	2008	110.00	203.00	137.00	450.00
	2009	-	253.00	128.00	381.00
	2011	-	-	308.00	308.00
	2012	213.00	-	87.00	300.00
	2013	256.00	-	-	256.00
	2014	-	60.00	136.00	196.00
	2015	-	159.00	285.00	444.00
	2016	142.00	56.00	209.00	407.00
	2017	-	124.00	228.00	352.00
	2018	-	129.00	207.00	336.00
	2019	-	-	229.00	229.00
	Sub Total Mature	2,430.00	1,681.00	2,489.00	6,600.00

	2019	-	-	302.00	302.00			
	2021	-	-	64.00	64.00			
	Sub Total Immature	0	0	366	366			
	TOTAL	2,430.00	1,681.00	2,855.00	6,966.00			
1.6.2	New Planting area after January 2010		Ha					
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle					
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Pangkatan	40	220,119.28	50,661.63	23.02	11,553.96	5.25	
	*Production data source from October 2021 to September 2022							
1.7.2	Description of Certification Scope of Supply Base							
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill		
						FFB (tonnes/year)	%	
	Pangkatan Estate	2,586.03	2,430.00	74,142.58	30.51	74,142.58	100	
	Sennah Estate	1,813.40	1,681.00	48,801.22	29.03	64,611.98	100	
	Bilah Estate	3,009.88	2,489.00	64,611.98	25.96	48,801.22	100	
	TOTAL	7,409.31	6,600.00	187,555.78	28.42	187,555.78	100	
	*Production data source from October 2021 to September 2022							
1.7.3	FFB description from other source							
	Name of sources/Organisation (RSPO non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill			
					FFB (tonnes/year)			
	CV Surya Makmur	Independent Supplier	-	-	728.15			
	Anugerah Keluarga Mandiri	Independent Supplier	-	-	4,055.80			
	Dewi Maya	Independent Supplier	-	-	1,632.57			
	Teng Gaes Jaya	Independent Supplier	-	-	14,630.82			
	CV. Naga Tutar	Independent Supplier			28.61			
	Ramp Marico Taman	Independent Supplier			2,593.73			
	Ramp Juma Sari	Independent Supplier	-	-	8,918.77			
	TOTAL					32,588.45		
	*Production data source from October 2021 to September 2022							
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume Volume (MT)		Last Year Actual Certified Volume (MT) October 2021 to September 2022)			
	FFB Processed		245,000		187,555.78			
	CPO Production		55,000		45,904.65			

	Palm Kernel (PK) Production			13,000	10,174.65			
1.8.2	Product selling							
	Type of selling product			Actual selling product for last year October 2021 to September 2022) (MT)				
	CSPO sold as RSPO certified product			16,483.91				
	CSPK sold as RSPO certified product			10,003.05				
	CSPO sold under other scheme			26,217.17				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			0				
	CSPK sold as conventional			0				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates		Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Pangkalan Estate		2,586.03	2,430.00	77,000	31.69		
	Sennah Estate		1,813.40	1,681.00	51,000	30.34		
	Bilah Estate		3,009.88	2,489.00	67,000	26.92		
	TOTAL		7,409.31	6,600.00	195,000	29.55		
	<i>*Projected FFB production for 12 months of certificate ,</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Pangkalan	40	195,000	44,850.	23.	9,750	5	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications							
	ISO 9001:2015			-				
	ISO 14001: 2015			-				
	ISO 45001:2018			-				
	ISCC			EU-ISCC-Cert-DE119-62224280, valid thru 8 August 2023				
	ISPO			MUTU-ISPO/203, valid thru 16 July 2025				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Unit							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Pangkalan	2012	Pangkalan Estate (PT Pangkalan Indonesia)	2012	Labuhanbatu District, Sumatera Utara Province	Certified		
			Sennah Estate (PT Sembada Sennah Maju)	2012	Labuhanbatu District, Sumatera Utara Province	Certified		

		Bilah Estate (PT Bilah Plantindo)	2012	Labuhanbatu District, Sumatera Utara Province	Certified
Bumi Permai	2013	PT Prima Mitrajaya Mandiri	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Subur Makmur	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Sawit Etam Bersama	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Tanah Sama	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Mitra Sawit Mandiri	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Grenseng Indah	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Maju Membangun	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		PT Teguh Jaya Prima Abadi	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Karya Bersama	2013	Kutai Timur District, Kalimantan Timur Province	Certified
		Koperasi Mitra Sejahtera Abadi	2013	Kutai Timur District, Kalimantan Timur Province	Certified
Rahayu	2021 Non Certified (Commissioning 2020)	PT Teguh Jaya Prima Abadi	2013	Kutai Timur District, Kalimantan Timur Province	Certified (currently supply FFB to Bumi Permai Mill)
		Koperasi Karya Bersama	2013	Kutai Timur District, Kalimantan Timur Province	
		Koperasi Mitra Sejahtera Abadi	2013	Kutai Timur District, Kalimantan Timur Province	
		Koperasi Maju Membangun II	2023	Kutai Timur District, Kalimantan Timur Province	Have not obtained the HGU
		Koperasi Sawit Etam Bersama II	2023	Kutai Timur District, Kalimantan Timur Province	Have not obtained the HGU
		Koperasi Tanah Sama II	2023	Kutai Timur District, Kalimantan Timur Province	Have not obtained the HGU
Benuang	2023 Non Certified	PT Bumi Mas Agro	2023	Kutai Timur District, Kalimantan Timur Province	Non-Certified



		(Commissioning 2021)	Koperasi Dugai Jaya Mandiri	2023	Kutai Timur District, Kalimantan Timur Province	(currently send FFB to outsider mill)
			Koperasi Marukangan Sejahtera Mandiri	2023	Kutai Timur District, Kalimantan Timur Province	
			Koperasi Jaya Harapan Bersama	2023	Kutai Timur District, Kalimantan Timur Province	
	Tengkalat	2017	PT Gunung Pelawan Lestari	2017	Bangka District, Kepulauan Bangka Belitung Province	Certified
			Koperasi Ikhtiar Sejahtera	2017	Bangka District, Kepulauan Bangka Belitung Province	Certified
			Koperasi Silip Lestari	2017	Bangka District, Kepulauan Bangka Belitung Province	Certified
			Koperasi Mapur Mandiri	2017	Bangka District, Kepulauan Bangka Belitung Province	Certified
			Koperasi Gunung Muda Sejahtera	2017	Bangka District, Kepulauan Bangka Belitung Province	Certified
	-		PT Evans Lestari	2023	Musi Rawas District, Sumatera Selatan Province	Currently FFB delivered to outside mill
	-		PT Simpang Kiri Plantation Indonesia	2023	Aceh Province	Currently FFB delivered to outside mill
<i>*TBP is approve on 8 October 2021.</i>						
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Pangkalan POM and its supply bases does not have associated smallholder's scheme. FFB non-certified sources are from independent suppliers.					

2.0	<b>ASSESSMENT PROCESS</b>
2.1	<b>Assessment Team</b>
RC-2	<ul style="list-style-type: none"> <li>• <b>Moh Arif Yusni (Lead Auditor)</b>. Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO LA Refresher Course, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality, Social, Environmental, TBP and Partial certification.</li> <li>• <b>Yudhi Yuniarto Tallutondok (Auditor)</b>. Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation company in Indonesia. Training have been followed including Lead Auditor of ISO 9001:2015, Lead Auditor of ISO 14001:2015, ISPO Auditor Training, RSPO P&amp;C Lead Auditor Training Course, RSPO SCC Lead Auditor Course, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness of OHS aspects, ISO 45001:2018, ISO 22000:2009, ISO 19011:2011, ISO 17021:2011, dan ISO 17065:2012. Has participated in audit activities for ISPO and RSPO scheme since 2017 for BMP, OHS, labour, social and legal aspects. In this audit activity performs the assessment of worker welfare, transparency and SCCS.</li> <li>• <b>Rahmat Abdiansyah (Auditor)</b>. Indonesian citizen. Bachelor of Forestry from IPB University, with major in Forest Resources Conservation and Ecotourism. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this assessment, he verified the aspects of OHS, HCV, GHG Calculations and Best Management Practices Aspect.</li> <li>• <b>Ririn Wahyuni Sipayung (Auditor Trainee)</b>. Experience working for 6 years as a Sustainability Assistant in several private oil palm plantation companies in Indonesia. The trainings that have been attended include Refreshment New ISPO (Permentan 38 of 2020), ISO 14001, ISO 45001: 2018, ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, HCV Management in ISPO, In House Training in the field of environmental, social, transparency and BMP, Certification of <i>Calon Ahli Keselamatan dan Kesehatan Kerja (AK3U)</i> by the Indonesian Ministry of Manpower, Certification of ISPO Auditors by LPP and the ISPO Commission, Application of OSH in Oil Palm Plantations, Handling and Control of Plantation and Land Fires by Plantation Agency of Kalimantan Barat Province, Management Hazardous Waste by Environment Agency of Kalimantan Barat Province, Traceability Supply Chain and Smallholder Engagement and others. Has participated in several audit activities and in this audit, activity verified the Environmental, HCV, Social and GHG Calculation aspects under the supervision of the Lead Auditor and others auditor team</li> </ul> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
2.2.1	<b>Figure of person days to implement assessment</b>
RC-2	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for RC Onsite Audit: 5 days</p> <p>Number of working days for RC Onsite Audit: 15 Working days</p>
2.2.2	<b>Assessment Process</b>
RC-2	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Pangkatan Indonesia, Pangkatan POM Unit Certification based on:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> </ul>

- 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 consists of one mill (Pangkatan Mill) and three estates (Pangkatan Estate, Bilah Estate and Sennah 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.

Team of auditor started their trip from Jakarta to Medan and continued to site on 17 October 2022. Once arrived, team auditor conducted Opening Meetings in the Meeting Room of PT Pangkatan Indonesia. Opening meeting attended by Senior Estate Manager, Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

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

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

Closing Meeting conducted in the region office of PT Pangkatan Indonesia on 21 October 2022. Closing meeting attended by Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel and unit of certification accepted the recommendation from auditor team regarding certification process.

Some opportunities for improvement of the results & RC delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-2.1). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of this assessment

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).	
The assessment program please find Appendix 2.	
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>RC-2</b>	<p>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:</p> <p><b>PT Pangkatan Indonesia (Pangkalan Mill)</b></p> <ul style="list-style-type: none"> <li>• <b>Temporary Hazardous Waste Storage.</b> Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.</li> <li>• <b>Chemical and CaCo<sub>2</sub> Storage.</b> Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.</li> <li>• <b>Material Storage.</b> Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.</li> <li>• <b>Workshop.</b> Observation and interview to store keeper related to OHS, waste management and worker welfare aspect.</li> <li>• <b>Fire-fighting simulation.</b> Observations to see the ability of officers in handling fires and interviews related to quick response activities, training that has been given etc.</li> <li>• <b>Mill Drainage.</b> Observations mill effluent lines, sanitation mill and flow of leaching mill.</li> <li>• <b>Loading Ramp Station.</b> Observations and interviews related work procedure, safety aspect, worker welfare etc</li> <li>• <b>Grading Station.</b> Observations and interviews related to criteria for EFB grading, wages, sampling techniques, and PPE.</li> <li>• <b>Engine room.</b> Observations and interviews related to medical check-up, PPE, and operator understanding of emergencies</li> <li>• <b>Boiler Station.</b> Observations and interviews related to OHS, understanding of emergency response, and operator licenses</li> <li>• <b>Sterilizer Station.</b> Observations and interviews related to the duties and responsibilities of daily work</li> <li>• <b>Press Station.</b> Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility</li> <li>• <b>Kernel Station.</b> Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility</li> <li>• <b>Oil Tank Station.</b> Observation's safety aspect, environment aspect etc.</li> <li>• <b>Water Treatment Plant.</b> Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc.</li> <li>• <b>Security Post.</b> Observation to FFB transportation and acceptance process and interview with 2 Security Officers, on their understanding towards technical, RSPO supply chain, environment, safety and manpower aspect, as well as facilities provided by mill management.</li> <li>• <b>Weighbridge Station.</b> Observation and interview with Weighbridge Operators, on their understanding towards technical, supply chain, environment, safety and manpower aspect, as well as facilities provided by estate management.</li> <li>• <b>Laboratory.</b> Observation to laboratory works and interview with Laboratory Officers, on his understanding towards technical, environment, safety and manpower aspect, as well as facilities provided by mill management.</li> <li>• <b>WWTP.</b> Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc.</li> </ul> <p><b>PT Pangkatan Indonesia (Pangkalan Estate)</b></p> <ul style="list-style-type: none"> <li>• <b>Boundaries Poles No 105, 110, 03, 04 and 05,</b> Observation the conditions and position of legal boundary.</li> <li>• <b>HCV area riparian of Kundur River.</b> Observation related to HCV management and monitoring</li> <li>• <b>HCV area Cemetery.</b> Observation related to HCV management and monitoring</li> <li>• <b>EFB composting Application, Block W2.</b> Observation and interview with PIC related to solid waste management by application as mulching in the field, especially in low nutrient area.</li> </ul>

- **Spray Circle & Path, Block F3.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- **Harvesting and fruits lose pick up Block M3 and A2.** Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, and payment system.
- **Barn Owl Nest Observation Block K1.** To check nest condition and monitoring schedule.
- **Beneficial Plant Blok D1.** Observations related to Turnera Subulata Care and Implantation.
- **Nursery Blok V3.** Observations and interviews with supervisors and workers related to procedures for seeding and seed selection according to SOP.
- **Housing complex and Facilities (Mosque, Clinic, daycare, etc). Division 3 & 4.** Observation and interview regarding facilities and infrastructure housing area.

**PT Bilah Plantindo (Bilah Estate)**

- **Block B12 Division 3: Patok HGU No. 9 dan No. 10.** Observation the conditions and position of legal boundary
- **Block G9 Division 2: Patok HGU No. 14 dan No 13.** Observation the conditions and position of legal boundary
- **Block F4 Division 2: Patok HGU No. 2.** Observation the conditions and position of legal boundary.
- **Housing complex and Facilities (Mosque, Clinic, daycare, etc). Division 3 & 4.** Observation and interview regarding facilities and infrastructure housing area.
- **Replanting area (Planting Years 2021) Block D5 Division 3.** Observation related replanting activity, that conducted in 2021.
- **Replanting area (Planting Years 2022) Block F4-F5 Division 2.** Observation related replanting activity, that conducted in 2022.
- **HCV Area (Block I6 dan H10 Division 1).** Observation related to HCV management.
- **Peat area, Block B10 and B11.** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Harvesting Block D03.** Observation and interview regarding FFB criteria and workers' understanding of their rights and obligations
- **Circle and Path Spraying Block E56.** Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides.
- **Fertilizer Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Chemical Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Logistic Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Workshop Central.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Oil Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Schedule Waste Storage.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Rinse House and PPE Storage.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.

**PT Sembada Sennah Maju (Sennah Estate)**

- **Boundaries Poles No 10, 11, 12, 13 and 14,** Observation the conditions and position of legal boundary.
- **HCV area riparian of Kundur River (Block S1 Division 2).** Observation related to HCV management and monitoring
- **HCV Area (Swamps Blok E09);** Observation related HCV Area
- **Land fill Block E07.** Observation related domestic waste management



	<ul style="list-style-type: none"> <li>• <b>Housing Division 02.</b> Observation and interview about domestic waste management, hazardous waste management, emergency facilities, and facilities provided for workers.</li> <li>• <b>Creche.</b> Observation related workers facility, OHS and labor aspect.</li> <li>• <b>Housing Complex and its Facilities (Mosque, Clinic, Child Care Center, etc.).</b> Observations and interviews regarding the facilities and infrastructure of the housing area.</li> <li>• <b>Fire Extinguisher.</b> Simulation of land fire emergency response.</li> <li>• <b>Temporary storage hazardous waste.</b> Observations and interviews related to warehouse conditions and waste management</li> <li>• <b>Chemical warehouse.</b> Observations and interviews related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.</li> <li>• <b>Fertilizer Storage.</b> Observations and interviews related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.</li> <li>• <b>Workshop.</b> Observations and interviews with shopkeepers related to OHS aspects, waste management and worker welfare.</li> <li>• <b>Oil Tank and Fuel Station.</b> Observation safety aspects, environmental aspects etc.</li> <li>• <b>Storage Materials.</b> Observations and interviews with shopkeepers related to OHS aspects, waste management and worker welfare.</li> <li>• <b>Chemical mixture warehouse and bathroom.</b> Observations and interviews with shopkeepers related to OHS aspects, waste management and worker welfare.</li> <li>• <b>Chemistry Applications.</b> Observations and interviews with employees on OHS and Environmental aspects</li> <li>• <b>Employee Cooperative.</b> Observations and interviews related to employee cooperative activities and management</li> <li>• <b>Harvest Block B01.</b> Observations and interviews with Harvest Supervisors and workers regarding harvesting procedures according to SOPs, application of PPE, labor aspects, implementation of OHS, socialization of HCV areas, and payment systems.</li> <li>• <b>EFB Division I Composting Application.</b> Observation and interview with PIC regarding waste management with application as mulch in the field, especially in low nutrient areas.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC-2</b>	<p>Summary of stakeholder consultation process for PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website on RSPO and MUTU Website on 15 September 2022.</li> <li>• Public consultation with NGOs (by email) such as WWF, WALHI, AMAN, and Sawit Watch on 28 September 2021</li> <li>• Public consultation meeting with government institution 18 October 2022</li> <li>• Public consultation meeting with communities on 18 October 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor 18 October 2022</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-2.1) will be conducted eight (9) months to twelve (12) months after date of certificate.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were No Nonconformities were assigned against Major Compliance Indicator, No Nonconformities were assigned against Minor Compliance Indicators and there are five (5) opportunities for improvement were identified.

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

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>	
<b>1.1</b> <b>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.</b>	
<b>1.1.1</b> Companies can show the SOP Information Transparency (PI/SOP/General-02) which explains the types of documents that can be accessed by the public such as UKL/UPL, CSR, employee list, GHG, HCV, and SIA. These documents can be accessed by sending a request to management. The document can be provided with a note that it is not misused and in accordance with its designation.  The company also provides a list of stakeholders who are related/directly related to it. The list of stakeholders includes government, village heads, contractors, trade unions, NGOs, police, suppliers, etc. Data is updated every 6 months (or if there is a change in information) by the Head of Administration.  Based on an interview with the Labuhanbatu District Environmental Office, if they need information, they will contact the company via a mobile application and the company always responds and submits mandatory reports according to their respective periods.	
<b>1.1.2</b> Based on the results of document review and interviews with agencies in Labuhanbatu District in example Plantation Service, the Environment Service, Land Office and Manpower Office, it was known that the information presented by the certification unit has been presented in an appropriate language (Bahasa) and appropriate form. There is sample document that informed to the company ie <b>Pangkalan Estate and Mill</b> <ul style="list-style-type: none"> <li>• P2K3 Report First Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on May 19, 2022.</li> <li>• P2K3 Report 2nd Quarter 2022 to the Manpower and Transmigration Office of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on July 5, 2022.</li> <li>• P2K3 Report 3th Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on October 14, 2022.</li> <li>• Employment mandatory report with reporting No. 21462.20220613.0001 on behalf of PT Pangkatan Indonesia – Estate on June 13, 2022 and required to report back on June 13, 2023.</li> <li>• Employment mandatory report with reporting No. 21471.20220331.0001 on behalf of PT Pangkatan Indonesia – Mill on June 4, 2022 and required to report back on June 4, 2023.</li> </ul>	

- Registration proof of contract worker of PT Pangkatan Indonesia to the Labuhanbatu District Manpower Office with No. 560/2486/DTK-4/2022 dated September 5, 2022. The document explains that there are 10 contract workers registered.

#### **Bilah Estate**

- P2K3 Report First Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on May 18, 2022.
- P2K3 Report 2nd Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and UPT Labor Supervision of Labuhanbatu District on August 18, 2022.
- P2K3 Report 3th Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and UPT Labor Supervision of Labuhanbatu District on October 13, 2022.
- Employment mandatory report with reporting No. 21471.20220331.0001 on behalf of PT Bilah Plantindo on March 31, 2022 and required to report back on March 31, 2023.
- Registration proof of contract worker of PT Bilah Plantindo to the Labuhanbatu District Manpower Office with No. 560/2025/DTK-4/2022 dated July 25, 2022. The document explains that there are 93 contract workers registered.

#### **Sennah Estate**

- P2K3 Report First Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on May 13, 2022.
- P2K3 Report 2nd Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and UPT Labor Supervision of Labuhanbatu District on August 19, 2022.
- P2K3 Report 3th Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on October 14, 2022.
- Employment mandatory report with reporting No. 21471.20220810.0001 on behalf of PT Sembada Sennah Maju on August 10, 2022 and required to report back on August 10, 2023.
- Registration proof of contract worker of PT Sembada Sennah Maju to the Labuhanbatu District Manpower Office with No. 560/1629/DTK-4/2022 dated June 24, 2022. The document explains that there are 20 contract workers registered.

#### **Environmental Document**

##### **I. PT Pangkatan Indonesia**

- UKL – UPL report for the first semester of 2022 to the Labuhanbatu District Environment Agency on September 08, 2022
- UKL – UPL report for the first semester of 2022 to the Sumatera Utara Provincial Environment Agency on September 10, 2022
- UKL – UPL report for semester I 2022 to the Ministry of Environment and Forestry on September 10, 2022

##### **II. PT Bilah Plantindo**

- UKL – UPL report for the first semester of 2022 to the Labuhanbatu District Environment Agency on July 25, 2022
- UKL – UPL report for the first semester of 2022 to the Sumatera Utara Provincial Environment Agency on September 10, 2022
- UKL – UPL report for semester I 2022 to the Ministry of Environment and Forestry on July 25, 2022

##### **III. PT Sembada Sennah Maju**

- UKL – UPL report for the first semester of 2022 to the Labuhanbatu Environment Agency on 12 August 2022
- UKL – UPL report for the first semester of 2022 to the Sumatera Utara Provincial Environment Agency on 26 August 2022
- UKL – UPL report for semester I 2022 to the Ministry of Environment and Forestry on September 24, 2022

#### **1.1.3**

#### **Environmental Document**

##### **I. PT Pangkatan Indonesia**

- UKL – UPL report for the first semester of 2022 to the Labuhanbatu District Environment Agency on September 08, 2022
- UKL – UPL report for the first semester of 2022 to the Sumatera Utara Provincial Environment Agency on September 10, 2022
- UKL – UPL report for semester I 2022 to the Ministry of Environment and Forestry on September 10, 2022

##### **II. PT Bilah Plantindo**

- UKL – UPL report for the first semester of 2022 to the Labuhanbatu District Environment Agency on July 25, 2022

- UKL – UPL report for the first semester of 2022 to the Sumatera Utara Provincial Environment Agency on September 10, 2022
- UKL – UPL report for semester I 2022 to the Ministry of Environment and Forestry on July 25, 2022

### III. PT Sembada Sennah Maju

- UKL – UPL report for the first semester of 2022 to the Labuhanbatu Environment Agency on 12 August 2022
- UKL – UPL report for the first semester of 2022 to the Sumatera Utara Provincial Environment Agency on 26 August 2022
- UKL – UPL report for semester I 2022 to the Ministry of Environment and Forestry on September 24, 2022

#### 1.1.3

CH had recorded every requested information on a logbook of incoming and outgoing letters. Based on document verification and interview with villagers, they have understood mechanism of communication and consultation. Normally, headman of the village or communities would send a letter as a form of communication.

The company can respond to requests for information with letter number 002/PGE//2022 on 17 February 2022 regarding the approval of the implementation of industrial work practices at PT Pangkatan Indonesia sent by the Head of SMK Raudiatul Ulum in Aek Nabara on 14 February 2022 with letter number 420/02A-021/SMK RU/XI/2022.

#### 1.1.4

The company has a Communication and Consultation SOP no.: PI/SOP/General-20 dated 27 April 2015, it is stated that the company welcomes communication and with the community / stakeholders, government agencies, NGOs / CSOs, and affected parties. Based on documents verifications the responsible persons to handle information request from stakeholders are estate / mill manager in each units

The Certificate Holder also provides a list of stakeholders who are related/directly related to it. The list of stakeholders includes government, village heads, contractors, trade unions, NGOs, police, suppliers, etc. Data every 6 months (or if there is a change in information) by the Head of Administration.

Based on the results of interviews with the company that the communication and consultation procedures have been socialized in 2022 to stakeholders, apart from the results of interviews with stakeholders, for example the village head of Negeri Baru also knows the procedures for delivering communication and consultation to the company.

Based on this explanation, the company has carried out socialization of procedures that are owned and understood by the company's stakeholders.

#### 1.1.5

The company has a list of contacts and information that was made on January 02, 2022 while the data includes stakeholders in the sub-district, village, police, public health centers/hospitals, government agencies, NGOs, suppliers and contractors.

During audit The Auditor Team has also conducted telephone interviews with stakeholders such as Labuhanbatu District government agencies using information from a list of stakeholders owned by the company. The results of the audit team's verification of the list of stakeholders owned by the company are in accordance with the latest information.

Status: Comply
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### 1.2

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

#### 1.2.1

The certification unit has code of conduct document for all operational activities. Code of conduct explain Code of Conduct Principles, Conflict of Interest, Bribery and Illegal or Unethical Practices, Entertainment and Gifts, Misuse of Position, Insider Trading, Confidentiality, Restriction on Solicitation, Media Relations, Worker Union, Political and Social Activities, Installation of Illegal Computer Software, Anti Money Laundering, Trade Compliance & Export Controls and Sanctions, and Commitment to Human Rights.

The certification unit shows documentation of socialization of policies and regulations that apply in unit certification to relevant

stakeholders, some examples include: minutes of socialization on 3 February 2022 regarding Human Rights Policy to contractors and employees attended by 12 employees.

The certification unit shows examples of the implementation of the code of business ethics in terms of recruitment and labour contracts, for example: job vacancy information on April 20, 2022 which was submitted through each village representative to be further submitted to each of its residents, the selection process for prospective employees was carried out for 5 days from 20 April 2022, and the announcement of the results of the recruitment of new employees on 25 April 2022 which was then followed by the preparation and signing of a work agreement.

### 1.2.2

The system to monitor compliance with ethical policies is carried out through monitoring complaints result that delivered to company regarding ethical issue. The certification unit has grievance procedures such as procedure of grievances or complaint which presented in document No. PI/SOP/Umum-02 to submit complaints including complaints of violations of the code of ethics.

Based on the interviews with mill and estate workers known that information was obtained that there was no charge to employees or deductions to employee wages. In addition, the average employee who enters the certification unit is done individually without going through the agent/ labour supplier.

Status: Comply

## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

### 2.1

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

#### 2.1.1

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

#### Land legality

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

- PT Pangkatan Indonesia: Plantation Business Registration Letter (SPUP) No. 211/Menhutbun-VII/2000 dated March 10, 2000 on behalf of PT Pangkatan Indonesia covering an area of 2,586 ha issued by the Ministry of Forestry and Plantations of the Republic of Indonesia.
- PT Sembada Sennah Maju: Plantation Business Registration Letter (SPUP) No. HK.350/201/Bun.5/III/2001 Dated March 16, 2001 on behalf of PT Sembada Sennah Maju (Sennah Estate) Issued by the Director General of Plantations (on behalf of the Minister of Forestry and Plantations) Covering an area of 1,586 Ha Located in Bilah Hilir Sub District, Labuhanbatu District, Sumatra Utara Province. Then there is a Letter of Statement No: 522,525/525/1443/V/2014, dated December 3, 2014 from the Forestry and Plantation Service of Labuhanbatu District which explains that the Plantation Business Registration Letter No: HK.350/201/Bun.5/III/2001 has an area of not true. The correct one is 1,813.40 Ha.
- PT Bilah Plantindo: Plantation Business Registration Letter (SPUP) No. 212/Menhutbun-VII/2000 dated March 10, 2000 on behalf of PT Bilah Plantindo (Bilah Estate) issued by the Director General of Plantations (on behalf of the Minister of Forestry and Plantations). In the decree, it is stated that the types of plants permitted are Palm Oil with an area of 2,960.61 Ha located in Bilah Hilir Sub District, Labuhanbatu District, Sumatra Utara Province.

#### Worker Welfare Aspect

1. Employee wages have been referred to the Decree of the Governor of North Sumatera No. 188.44/787/KPTS/2021 concerning the 2022 Regency Minimum Wage. The decree stipulated the minimum wage for plantation and the processing sector with a value of IDR 2,904,569,8
2. The certification unit has implemented a structure and scale of employee wages based on years of service and work assessment of each employee.



3. Collective Labour Agreement for the period 2021-2023 which has been ratified based on the Decree of the Head of the Manpower and Transmigration Office of Labuhanbatu:
  - a. No. 560/004/DTK-4/2022 dated 3 January 2022. (PT Sembada Sennah Maju).
  - b. No. 560/002/DTK-4/2022 dated 3 January 2022. (PT Pangkatan Indonesia).
  - c. No. 560/003/DTK-4/2022 dated 3 January 2022. (PT Bilah Plantindo).

### **BMP**

In best management practices, it is known that plantation and mill management have implemented several laws and regulations in Indonesia, for example, having to use mechanical or non-burning methods during land clearing, the oil palm planted comes from seed producers, which are recognized by the Indonesian government. Furthermore, the plantations (every management unit) have implemented integrated pest control, biological control and only use pesticides registered on the government website pesticide.id.

### **OHS**

In the OHS Aspect, the certification unit has established an occupational health and safety committee structure in each management unit and this committee has received approval from the Labuhanbatu District Manpower Office which has provided emergency facilities and others.

### **Environmental Document**

#### **PT Pangkatan Indonesia**

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

PT Pangkatan Indonesia (Pangkalan POM and Pangkatan Estate)

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

PT Bilah Plantindo (Bilah Estate)

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

PT Sembada Sennah Maju (Sennah Estate)

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

### **2.1.2**

Procedure of legal requirement which presented in document No: PI/SOP/Umum-01; SSM/SOP/Umum-01; BP/SOP/Umum-01, dated 2 May 2011 mentioned that legal/HR manager, manager RSPO and staff RSPO has responsibility to arranged and monitored legal related laws and/or regulation. 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, including for third parties working with the company (contractors). The law register is divided into several aspects, namely: Occupational safety and health, the environment, employment, and plantations. To ensure whether there are additions and subtractions to relevant regulations, a review is conducted every once a year with the last updated on 22 april 2022 The company have shown list of updated regulation related to the field of employment, environment, HCV, OHS, and legality of land use, in example for employment aspect are

- Government regulations No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs
- Government regulations No 36 of 2021 concerning Wages

The company also has personnel responsible for identifying legal requirements and ensuring compliance. Companies can also show a complete list of international, national, sub-national, and provincial laws that detail specific requirements for mill and plantation operations for each aspect such as employment, environment, legality, and Best Management Practices. All relevant sections of the law have been identified and linked to activities within the unit of certification. The company carries out an internal RSPO audit regularly every year with the last internal audit carried out on 26 April 2022 in Pangkatan Estate and Bilah Estate, 22 April 2022 in Pangkatan Mil, and 28 April 2022 in Sennah Estate, at which time the audit is carried out in conjunction with inspections related to compliance with the relevant regulations. In relation to third-party contracts, the certification unit has also ensured that there is an evaluation of legal compliance for all contracts with third parties carried out according to the principle of continuous improvement. This can be proven from the evidence of socialization to contractors as well as the application of standards and procedures for third parties who enter the scope of the company's area and the details has been informed on criteria 2.2

### 2.1.3

Procedure of legal boundary poles monitoring and maintenance is presented in document No. LGL-SOP02-01, dated 1 October 2019. Procedure mentioned that maintenance was carried out by field head assistant and assistant, Estate Manager and Department Sustainability. Monitoring the boundaries of the HGU is done every 6 months. Based on monitoring in Semester 1 2022 it was known all boundaries poles in each estate are available and the conditions was good with well maintained

Field observations to several HGU boundary markers in Pangkatan Estate (No. 105; 110; 03; 04 and 05), Bilah Estate (No. 09, 10, 14; 13 and 02), Sennah Estate (No. 10; 11; 12; 13 and 14) it was known if the boundaries pile is available in the field and well-maintained. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title.

	<b>Status: Comply</b>
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## 2.2

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

### 2.2.1

List of contractors is presented in document "*Daftar Pemangku Kepentingan*" that updated on 31 January 2022, which informs stakeholder category, name of PIC, relation, address and contact number. Currently, unit of certification has 8 contractors (60 workers) and 7 suppliers. Based on document verification show that the number of contractors is in accordance with the list of stakeholders which also includes hazardous waste transporting and machine maintenance contractors at the mill.

### 2.2.2

Based on verification to several work agreements, for example with local contractor, such as through agreement No. PI/PGE/06/2022/0036- Compost Transport, FFB, EFB dated 30 June 2022 with CV Anugerah and Agreement No. 05/MKT-PGI/II/2022 dated 14 February 2022 with CV Teng Gaes Jaya, it is known that the work agreement has covered several things, among others

- a. Implementation of sustainability certification system.
- b. Personal protective equipment (PPE).
- c. Prohibition on hazardous material disposal.
- d. Manpower protection.

e. Law pursuance and human rights.

Based on document verification of the salary slip and proof of *BPJS Ketenagakerjaan* for each local contractor employee are known that each worker has received wages in accordance with the government's regulation. In addition, the certification unit has also included its employees in the *BPJS Ketenagakerjaan* program.

Monitoring of law or regulation pursuance by contractors is presented in document of evaluation of contractor and form of evaluation and contractor. Sighted contractors' evaluation dated 25 July 2022.

**2.2.3**

Based on verification to several work agreements with local contractors, for example through agreement No. PI/PGE/06/2022/0036-Compost Transport, FFB, EFB dated 30 June 2022 with CV Anugerah and Agreement No. 05/MKT-PGI/II/2022 dated 14 February 2022 with CV Teng Gaes Jaya, it was known that clauses of disallowing child, forced and trafficked labour has been explained in the agreement.

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

Based on interview with contractors and FFB suppliers as mentioned above, it was known that socialization towards pursuance regulation on safety and manpower has delivered during contract agreement.

Status: Comply

**2.3**

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

**2.3.1**

The unit of certification can present list of FFB supplier that accepted by mill that divided with direct and indirect supplier, as mentioned below:

**1. Direct Supplier**

The direct supplier of FFB that accepted in Pangkatan Mill originally from its own estate under the scope of certifications, Namely

- Bilah Estate (PT Bilah Plantindo)
- Pangkatan Estate (PT Pangkatan Indonesia)
- Sennah Estate (PT Sembada Sennah Maju)

**2. Indirect Suppliers**

- CV Surya Makmur
- Anugerah Keluarga Mandiri
- Dewi Maya
- Teng Gaes Jaya
- CV. Naga Tutar
- Ramp Marico Taman
- Ramp Juma Sari

**2.3.2**

Based on explanation on indicator 2.3.1 it was known there are seven (7) indirect FFB suppliers in Pangkatan Mill, during this assessment the mill unable to fulfil the requirement of this indicator by November 2021. As RSPO Announcement on 15 February 2022 regarding Interim Measure for Fulfilment of Indicator 2.3.2 of the 2018 RSPO Principles & Criteria — On Legality of Indirect FFB Supplies, Pangkatan Mill has been registered their case to RSPO on 20 October 2022 by sending an email to [certification@rspo.org](mailto:certification@rspo.org)

and its has been registered through notification emails on 20 October 2022 which described if the company's case has been registered in our (RSPO) record.

Based on document verifications there are several obstacles during traceability as follows manpower from the company, reluctance of farmers related to providing information to companies (concerns), uncertain supplier dynamics between vendors, farmers sending FFB to several vendors/suppliers in accordance of higher FFB Prices and distribution of farmers.

During the audit activity the auditor team has been verified regarding the plan to ensure traceability of the FFB supplied which was developed in 2 stages namely

#### Stage 1

- Project Planning
- Initial socialization to Sumatera Utara estates and Marketing
- Budget
- Dissemination to Ramp/CV/ Collectors

#### Stage 2

- Outreach to Collectors and Farmers
- Participative GPS Locations Point-taking
- Land Inventory and farmer legality data
- Mapping of Ramp/CV/Collector farmers

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 shows the Long-Term Plan contained in the 2021-2025 Long-Term Projection document which was approved by the Director of Operations on 19 October 2021. The document contains information on the plantation business including maintenance costs, fertilizer costs, harvest costs, transportation costs, depreciation, FFB production, OER, KER, CPO production, kernel production, production price, CPO price, company profit, Plasma Smallholder Purchase, etc. Annual plans are also evaluated every year and compared with their realization. The annual plan can be adjusted based on field conditions, financial conditions or other reasons. The plantation and mill management unit states that the long-term plans mentioned above can be changed and reviewed annually by management taking into account the actual trends and dynamic situations that are predicted to change in the future. The Sustainability Department together with Estate and Mill Management are responsible for ensuring that all technical implementation is in accordance with procedures, which aim to achieve optimal output for the purpose of meeting the budget through monitoring, training and socialization.

Based on the description above, it can be concluded that the company can prove that it has a record of planning, monitoring and evaluating the plantation business.

##### 3.1.2

The company already has a replanting plan which is contained in the 2021-2025 Long Term Projection document which was approved by the Director of Operations on 19 October 2021. The document explains that the replanting plan that will be carried out by the company will be carried out in 2021-2023 (Bilah Estate) covering an area of 490 Ha. As for the Pangkatan Estate and Sennah Estate, the replanting plan will be carried out in 2028. The plan has been prepared based on the results of an annual evaluation carried out by considering the FFB production from the oldest plants.

##### 3.1.3

Records of periodic evaluations contained in the Management Review document conducted on June 24, 2022. These records inform the annual plans that have been prepared and evaluation of their achievements as well as to see the conformity of the implementation of operational activities in the field with ISPO, RSPO, and ISCC certifications.

Status: Comply		Status: Comply
<b>3.2</b>		
<b>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.</b>		
<b>3.2.1</b>		
The company has a record of implementing continual improvement. In the Best Management Practices Aspect, for example, the Plantation has a strategy of installing fruit traps and natural predators (cycanus) to control moths (fireworm moths or insect worms) related to time efficiency and increased safety during installation. For the OHS aspect, the company has identified needs and conducted training for workers who are required to have special competencies as regulated in regulations such as steam aircraft operators, lift transportation operators, OHS experts, and diesel motor operators.		
<b>3.2.2</b>		
Unit of certification shows RSPO metric template Version 2.1 during the time of audit. As checked properly, it was known that all data provided were match with actual situation. Based on document verification, for The RSPO metric template known the data for schedule reporting annual data social and environmental, included supply chain records, demographic workers, production area, water usage, FFB productions, work accidents, pesticide using and etc. The annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment.		
		Status: Comply
<b>3.3</b>		
<b>Operating procedures are appropriately documented, consistently implemented and monitored.</b>		
<b>3.3.1</b>		
The company has oil palm cultivation and processing procedures (SOPs) which are available in Indonesian. Cultivation procedures regulate activities ranging from land clearing, seeding, planting, maintenance, harvesting, delivery of FFB to factories to replanting, while processing procedures regulate activities from FFB receipt to product quality testing. SOP has covered key processes such as harvesting, transportation, fertilization, IPM, GAP, and SCCS). The SOPs that are owned are as follows:		
<b>SOP Estate</b>		
<b>No</b>	<b>No Dokumen</b>	<b>Nama Dokumen</b>
1	IDN-AGR-SOP01-01	Nursery
2	IDN-AGR-SOP02-01	Land Clearing
3	IDN-AGR-SOP03-01	Palm Oil Planting
4	IDN-AGR-SOP04-01	LCC Planting
5	IDN-AGR-SOP05-01	Water and Soil Conservation
6	IDN-AGR-SOP06-01	Immature Plants
7	IDN-AGR-SOP07-01	Pest and Disease Control
8	IDN-AGR-SOP08-01	Maintenance of Mature
9	IDN-AGR-SOP09-01	Fertilization
10	IDN-AGR-SOP10-01	Harvest and Transport
11	IDN-AGR-SOP11-01	Vehicles and Heavy Equipment
12	IDN-AGR-SOP12-01	Replanting
13	IDN-AGR-SOP13-01	Water Management
14	IDN-AGR-SOP14-01	Compost App
15	IDN-AGR-SOP15-01	POME Application
<b>SOP Mill</b>		
1	SOP/4.1/15	Boiler Ash
2	SOP/4.2/9	Production Loss Analysis
3	SOP-LAB/4.1/8	Production quality analysis
4	SOP/4.1/7	Boiler And Engine Room
5	SOP/4.1/16	Grading
6	SOP/4.2/4	Kernel Recovery
7	SOP/4.1/4	Press
8	SOP/4.2/3	Pressing

9	SOP/4.1/12	Sounding
10	SOP/4.2/2	Stelizer and Threshing
11	SOP/4.1/2	Stelizer
12	SOP/4.3/5	Stock Opname
13	SOP/4.1/3	Thresher
14	SOP/4.1/8	Turbine
15	SOP/4.1/9	WTP

Procedures are available at the audit site (estate and mill offices) and are written in an Indonesian that is easy for workers to understand. Based on field observations at mills and plantations during the audit, it is known whether procedures have been implemented and workers can explain and demonstrate their work in accordance with procedures, referring to operational, safety and environmental best practices.

Based on the review of the procedure documents, it can be concluded that the agronomic, processing and safety procedures of oil palm are still relevant to the current situation and cover all major aspects from the field to the mill. All procedures are available in Indonesian. Likewise with the results of interviews with employees where the understanding of estate and mill employees on technical and safety matters is considered very satisfactory.

### 3.3.2

The company employs several methods to monitor the implementation of procedures. Among other things, an RSPO internal audit is carried out annually to monitor the implementation of procedures. Operational internal audit evaluates the operational and administrative implementation of plantations and mills. Meanwhile, the RSPO internal audit evaluates the implementation of sustainability procedures in plantations and mills. Furthermore, management representatives (assistants, managers, and related superiors) regularly visit the inspectorate to control the implementation of procedures. Daily internal supervision is carried out with supervisory levels starting from the Foreman, Division Assistant, Assistant Head, to the Estate/Mill Manager.

Each unit has documented plantation operations and factory production such as daily reports, supervisor's workbooks, etc. The field visit to the factory showed that the unit had documented daily activities in daily production reports which were documented using a computerized system. Based on the procedure, the certificate holder is known to routinely conduct internal audits. Internal audit is carried out by the Internal Auditor to conduct inspections related to the operations of the management unit (plantations and factories). The company carries out an internal RSPO audit regularly every year with the last internal audit carried out on 26 April 2022 in Pangkatan Estate and Bilah Estate, 22 April 2022 in Pangkatan Mil, and 28 April 2022 in Sennah Estate. Implementation of the internal audit includes several criteria such as: cash bank administration, inventory, plant maintenance, plant production, plant production, wages and personnel

### 3.3.3

The company can show internal audit documents of the RSPO management system carried out on each plantation. Based on the Internal Audit Discrepancy and Observation Form, it is known that the unit is given corrective action a maximum of three months before the next internal audit period. Records of monitoring and corrective actions have been observed, including RSPO Operations and Internal Audits, Monthly Reports, etc. For example, the Internal Audit of RSPO Mill and Pangkatan Estate was conducted on 26-28 April 2022, Bilah plantation on 19-21 April 2022, and Sennah Plantation on 22-25 April 2022. Operational audits are carried out every month covering aspects of harvest quality, quality and quantity, fertilization, circle and path quality, and crop losses. All non-conformities have been followed up and fulfilled by each management unit. The audit has covered several aspects of the contractor such as minimum payments and employment insurance payments.

The company has carried out a management review within the planned time, for example in the Minutes of the management review meeting held on June 24, 2021.

The results of field visits and interviews with harvest supervisors show that they also record all operational activities at the Supervisor and submit these reports every day. Daily reports describe type of work, number of workers, use of materials, and individual achievements of employees. Furthermore, all operational activities of the company are recorded in the form of Monthly Reports for both plantations and factories. The operational activity report is a recap of daily activities. The company also discusses each item of activity. The evaluation mechanism for all operational activities, both plantations and mills, is carried out by the manager. The report



is a routine report prepared by the plantation and mill unit managers and submitted to top management.

Status: Comply

### 3.4

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

#### 3.4.1

##### Environmental Impact Assessment (EIA)

##### **PT Pangkatan Indonesia**

The company already has an environmental permit document contained in the Revised Environmental Management Efforts (UKL) and Environmental Monitoring Efforts (UPL) for Palm Oil Plantations Palm Oil Mill Production Capacity of 40 Tons/Hour and Composting Village Perkebunan Pangkatan, Pangkatan Sub District, Labuhanbatu District, Sumatera Utara Province and has been ratified by the Environmental Agency of Labuhanbatu District under Number 04/UKL-UPL on July 8, 2010.

The company also has the impact of its activities on the environment including:

- Water Quality Monitoring
- Solid Waste Monitoring
- Air Quality Monitoring
- Liquid Waste Monitoring
- Noise Level Monitoring
- Odor Level Monitoring
- Monitoring of Labor Absorption
- Increasing Community Income
- Employee Health Monitoring
- Soil Fertility Monitoring
- Land Fire Monitoring
- Monitoring of Hazardous and Toxic Materials

Based on this explanation, the company already has an Environmental Permit issued by an authorized official in accordance with the laws and regulations.

##### PT Bilah Plantindo

PT Bilah Plantindo already has an Environmental Permit issued by an authorized official in accordance with the legislation in the form of a revised UKL-UPL document that has been approved by the Head of the Environmental Agency of Labuhanbatu District, number 660/223/BLH-LB/AM/2012 on 14 May 2012 with an operational area of 2,961 ha. Management and Monitoring Efforts contained in the document include:

- Management and monitoring of groundwater and surface water quality
- Hazardous waste management and monitoring
- Air quality management and monitoring
- Management and monitoring of noise and odor levels
- Management and monitoring of employment and public perception
- Management and monitoring of occupational health and safety
- Land fire hazard management and monitoring

##### PT Sembada Sennah Maju

PT Sembada Sennah Maju already has an Environmental Permit issued by an authorized official in accordance with the legislation in the form of a revised UKL-UPL document that has been approved by the Head of the Environmental Agency of Labuhanbatu District, number 660/215/BLH-LB/AM/2012 on 14 May 2012 with an operational area of 1,813.40 ha. Management and Monitoring Efforts contained in the document include:

- Management and monitoring of groundwater and surface water quality
- Hazardous waste management and monitoring
- Air quality management and monitoring

- Management and monitoring of noise and odor levels
- Management and monitoring of employment and public perception
- Management and monitoring of occupational health and safety
- Land fire hazard management and monitoring

### HCV Assessment Report

#### **PT Pangkatan Indonesia**

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

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

#### **PT Bilah Plantindo**

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

#### **PT Sembada Sennah Maju**

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

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

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

### HCV Management Plan

The company has a management and monitoring plan for HCV for the period November 2021 – October 2023 which was made on October 29, 2021. The company can show photo evidence and absence of activities in the Action Plan and HCV Review report documents.

The HCV management activities that have been carried out for the period November 2021 – October 2022 are:

- Conflict and wildlife mitigation training in February 2022 and August 2022
- Monthly HCV patrols
- Conduct monthly water management patrol
- Monthly conflict and wildlife mitigation
- Make a flow chart of the mechanism for protected animals that will be carried out in November 2021
- Carry out maintenance of warning/notice boards in December 2021 and June 2022
- Conducting quarterly fire monitoring reports

### HCV monitor ini and management plan implmentation report

The company also has a report on the realization of HCV management which was carried out for the period 01 November 2021 – October 2022 including:

- Create a mechanism for handling animal conflict which is attached to security
- Conduct animal inventory and monitoring training/training on 23 April 2021
- Socialization of HCV and Environment to staff and employees December 2021
- Mitigation of animal conflicts December 30, 2021
- Make a flowchart of the mechanism for handling conflicts for protected animals on November 26, 2021
- Socialization of HCV and Environment to the community (External) on 23 January 2022
- Maintenance of warning/notice boards December 2021
- Create and maintain/maintain clear boundaries for grave locations in a participatory manner by December 30, 2021

### **Social Impact Assessment (SIA)**

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

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

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

### **3.4.2 & 3.4.3**

#### **EIA**

From the environmental documents owned by the company, there is a matrix consisting of several components that must be managed and monitored. Based on the results of verification and comparison with the first semester of 2022 RKL-RPL reports, the company has managed and monitored all the components requested in the matrix. The results of the review of the RKL-RPL report document also show that the company has prepared a report document in accordance with KepmenLH No.45 of 2005 concerning Guidelines for Writing RKL-RPL Reports. The forms of evaluation carried out by the company include Evaluation of Trends, Critical Levels and Compliance which are discussed for each aspect that is managed.

From the results of the study of the RKL-RPL Report for the first semester of 2022, it shows that the company has carried out environmental management according to the matrix resulting from the results of oil palm plantation activities. From the results of interviews with the surrounding community and the Labuhanbatu District Environmental Service, the Environmental Service also

explained that the company had carried out environmental management properly in accordance with established regulations and had never polluted the environment.

The company reports from the environmental management to the relevant agencies, including:

PT Pangkatan Indonesia

- Labuhanbatu District Environment Agency on 08 September 2022
- Sumatera Utara Province Environmental Service on September 10, 2022
- Ministry of Environment and Forestry on September 10, 2022

PT Bilah Plantindo

- Labuhanbatu District Environment Agency on July 25, 2022
- Sumatera Utara Province Environmental Service on September 10, 2022
- Ministry of Environment and Forestry on July 25, 2022

PT Sembada Sennah Maju

- Labuhanbatu Environment Agency on 12 August 2022
- Sumatera Utara Province Environmental Service on August 26, 2022
- Ministry of Environment and Forestry on September 24, 2022

From the results of the document review, all environmental monitoring parameters for the first semester of 2022 are in accordance with the established quality standards.

### SIA

The company has involved stakeholders in the management and monitoring plan related to the company's operational activities for the period November 2021 – October 2022 on February 8, 2022, while the activity was attended by contractors, religious leaders, several parties from village representatives around the company and so on. From the discussion, the company also has monitoring documents and action plans, including:

- Conducting local manpower absorption which is carried out every 2 times a year and has been realized
- Carry out housing repairs once a year
- Conduct medical check-up for workers affected by chemicals once a year
- Cooperate with hospitals for employee health every year
- Inspecting residential well water every 2 times a year
- Conducting public consultation with external once a year
- Provide clean water every year
- Etc

The company also has documents for the implementation of the SIA for the period November 2022 –October 2023, these activities explain, among others:

- Conducting community perception interviews about the company every 2 years
- Conducting CSR development every month
- Absorb local workers every 2 times a year
- Carry out housing repairs every year
- Conduct health checks for workers affected by chemicals every year
- Cooperate with hospitals for employee health every year
- Carry out maintenance of child care every year so that children are not brought by their parents to work.
- Conduct well water inspection every 2 times a year
- Conduct security patrols to avoid fruit theft and loose fruit every month
- Provide scholarship assistance program every year
- Hold a meeting with the union every year
- Etc

Based on documents verifications it was known there are replanting activity in Billah Estate, regarding that's activity the company have anticipated if there are issues related to these activities wherein the social management plan is explained related to monitoring complaints and perceptions from the community that might arise from these activities. The results of document verification and interviews with stakeholders (village government and related agencies) so far there are no complaints/griveances caused by replanting activities.

Furthermore the results of document verification, related to OFI in the previous assessment that the company has not carried out collecting public perceptions related to the Covid -19 pandemic, but when the recertification activity was carried out the company had collected public perceptions as described in the sentence above. And regarding the identification of issues on the internet, the company already has a system to capture all information related to the name of the company that is connected to the email of the person in charge, namely the S & C staff at the company, and if from the internet media there are issues related to social aspects or other matters, the company can find out immediately and can be done follow-up.

In 2022, the company has developed a social management and monitoring plan that is outlined in the Action Plan document on the findings of the social impact assessment in the certification unit, the involvement of the document preparation process is known to have involved external and internal stakeholders. Based on the results of the review of the review document, companies are encouraged to carry out a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, local residents, youth leaders, contractors and for internal stakeholders by paying attention to wider representation of workers such as local workers, migrants, women, new workers including contract workers. (OFI)

Status: Comply
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### 3.5

#### A system for managing human resources is in place.

##### 3.5.1

The certification unit already has Collective Labour Agreement (2021-2023) that have been ratified by the relevant manpower office based on the decree of the head of the manpower office:

- No. 560/004/DTK-4/2022 dated 3 January 2022. (PT Sembada Sennah Maju).
- No. 560/002/DTK-4/2022 dated 3 January 2022. (PT Pangkatan Indonesia).
- No. 560/003/DTK-4/2022 dated 3 January 2022. (PT Bilah Plantindo).

The CLA regulates the terms and conditions of employee employment, including the regulation of recruitment requirements, working hours, wages, social security, leave, termination of employment, work rules and discipline, rules for the process dispute resolution, and other provisions. This CLA has also been socialized to all estate and mill employees on January 8, 2022.

In addition, the certification unit also has an Employee Recruitment Procedure which explains the procedures for the recruitment process including job requests based on workforce planning, job vacancies notification, pre-selection and selection process, job interview and fitness, health checks, job offers, hiring decisions and employment agreements

Regarding employee performance appraisal, it is regulated in certification unit policy which is the certification unit's right to improve the quality and productivity of existing human resources by giving awards to employees who excel. Employee promotions are determined according to the results of the work performance assessment and in the interest of the certification unit's strategy and employee career development with the following criteria: having dedication and loyalty in their field of duty, working based on the system and method as well as the stipulated conditions, having the ability to always try to improve abilities and performance and always work with a healthy and dynamic code of ethics.

##### 3.5.2

The certification unit shows the implementation documents for the 2022 employment procedure as follows:

- Employee job application letter with initials AN dated December 20, 2021. The application letter is accompanied by several supporting documents, including: identity card and family card, personal data of prospective employees, results of medical

check-ups, test results and interviews.

- b. Work agreement Letter dated January 1, 2022 between PT Pangkatan Indonesia and employee initials AN. The work agreement explains the rights and obligations of employees.
- c. Decree No. 12/SK-(SKU-H)/(PGM)/2022 dated April 1, 2022 regarding the promotion of employees with Employee No. 12100090108970001 who were previously contract worker to permanent. The decision is effective from April 1, 2022.
- d. Mutation Decree from Estate Manager Bilah Estate with No. 579/BIE/VIII/2022 dated August 3, 2022 regarding the work transfer of 5 employees from maintenance workers to loaders starting August 1, 2022.
- e. Decree from the Assistant Head of In-charge with No. 003/SK-PHK/PGE/VII/2022 dated July 22, 2022 regarding the determination of the termination of employment (PHK) of employees with the initials SP. The process of employee termination has been started since the issuance of the relief letter I until the letter of employee termination.

Based on field observations and interviews with estate and mill employees show that so far, employment procedures have always been carried out properly without any discrimination between workers. In addition, based on interviews with representatives of the management show that the implementation of the employment aspects are well documented and stored.

Based on the above, it is known that the certification unit has good documentation regarding the implementation of labour procedures.

Status: Comply
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### 3.6

**An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.**

#### 3.6.1

The company already has an Occupational Health and Safety Policy. The company's OHS policy is listed in the Policy on sustainability and business ethics which includes:

- Ensure compliance with all laws and regulations relating to OHS.
- Ensuring a safe work system or pattern has been formulated and implemented properly and correctly.
- Ensure the implementation of training and supervision regarding OHS.
- Ensure the provision of good safety instructions or instructions in all aspects of operational activities.
- Ensure safe work procedures and emergency procedures are in place and implemented in all aspects of operational activities.

The Company shows the Hazard Identification and Risk Assessment (HIRAC) Form updated on September 15, 2022 (Estate) and October 7, 2022 (Mill), which was prepared by the OHS Expert and approved by the Manager. During the audit activity, the company shows a recording of hazard identification and risk assessment (HIRAC) in each work unit including in plantations and factories, with activities/work processes including land clearing, nurseries, planting, land maintenance, harvesting and transportation, fertilization, spraying, warehouse, filling station, hazardous waste warehouse, clinic, electrical installation, generator house, lawn mower, infrastructure (heavy equipment, road maintenance), infrastructure, estate office, workshop, harvest mechanization, housing, fire patrol, environmental monitoring, process station, loading ramp, Sorting etc.

The company has plans related to OHS in the workplace that aims to improve occupational health and safety, for example the OHS program in 2021-2022 as follows:

- HIRAC Reviews and Updates
- OHS Socialization
- OHS training
- OHS meeting
- OHS inspection and monitoring
- OHS Reporting

Based on interviews with security guards, sorting workers, sterilizer operators, boiler operators, engine room operators, kernel operators and workshop mechanics, it can be concluded that the workers understand the OHS policy and it is recognized that every morning meeting is always reaffirmed about the importance of OHS and the use of PPE in work.



Based on the results of interviews with harvesting and fertilizing workers, it can be concluded that the workers understand the policy regarding OHS and it is recognized that every morning apple is always reaffirmed about the importance of OHS and the use of PPE at work.

### 3.6.2

The company has a SOP for the Medical Check-up of Workers with the Number IDN-OSH-SOP04-02 dated May 24, 2022 which explains that the periodic medical checks are carried out in the form of physical health checks which are carried out once a year. Special medical checkup is carried out on workers with certain risks which are carried out once a year.

The company has conducted employee health checks for employees for the period of 2022, for example:

- The results of the audiometry examination conducted on August 2022 for 6 Pangkatan Estate employees with results fit to work.
- The results of the audiometry examination conducted on August 2022 to 4 Bilah Estate employees with results fit to work.
- The results of the audiometry examination conducted on August 2022 to 95 Pangkatan Mill Employees with results fit to work.
- The results of periodic medical checkup of the Pangkatan Estate conducted in August 2022 to 268 workers with results fit to work.
- The results of periodic medical checkup of Bilah Estate conducted in August 2022 for 280 workers with results fit to work.
- The results of periodic medical checkup of Sennah Estate conducted in August 2022 to 167 workers with results fit to work.
- The results of periodic medical checkup of the Pangkatan Mill conducted in August 2022 to 90 workers with results fit to work.

Based on interviews with security guards, sorting workers, sterilizer operators, boiler operators, engine room operators, kernel operators and workshop mechanics, it can be concluded that the workers understand the policy regarding OHS and it is recognized that every morning apple is always reaffirmed about the importance of OHS and the use of PPE in work.

Interviews were conducted with harvest, spray, and fertilizer workers. Based on the results of the interviews, it can be concluded that the workers understand the policy regarding OHS and it is recognized that every morning apple is always reaffirmed about the importance of OHS and the use of PPE at work.

Monitoring the effectiveness and evaluation of realized programs, monitored and carried out through P2K3 meetings which are held every month. The company's P2K3 organization that is responsible for monitoring and implementing OHS in the company's environment.

Based on the results of field visits in the residential areas of Pangkatan Estate, Bilah Estate, and Sennah Estate, the company has provided housing facilities for employees in good and well-maintained conditions and there are warning boards related to Occupational Health and Safety in several strategic locations. Regarding the Work Safety aspect, the auditor team considered that the company had the opportunity to improve security by providing a special storage area for sharp work tools (*dodos / egrek*) separately, this is because currently the work tools are stored next to the housing even though they are in safe conditions *egrek /dodos* has been given a safety sheath). (OFI)

Status: Comply
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### 3.7

**All staff, workers, Scheme Smallholders, out growers, and contract workers are appropriately trained.**

#### 3.7.1

The certification unit has established the annual training program for each unit including scheme smallholders, out growers and contractors. The training program covers all operational and RSPO aspects, such as agronomic best practices, chemical/ pesticide handling, OSH, and the environment. Further explained that there is no gender discrimination in the program but based on the operational and previous evaluation.

The certification unit in this case shows the 2022 training program document which is based on an analysis of employee training needs. The training is carried out interactively by the trainer or supervisor through presentations and hands-on practice to increase participants' understanding. The training program covers the following aspects:

- a. Firefighter training.

- b. OHS training.
- c. OHS socialization to contractors.
- d. Safety driving and riding training
- e. Leaf Sampling Unit Training.
- f. Employee cooperative socialization
- g. Energy saving socialization
- h. Firefighter outreach.

Based on field observations and interviews with estate, mill and contractor employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

### 3.7.2

The certification unit shows training documents to employees and the public around the 2022 period as follows:

- a. Integrated pest control training for employees of Bilah Estate on 19 May 2022 took place in the estate office yard. The certification unit can show the materials, documentation and attendance list for the event.
- b. Socialization of modern slavery policy to employees of Bilah Estate on May 13, 2022, took place in the estate office yard. The certification unit can show the materials, documentation and attendance list for the event.
- c. Simulation of the certification unit's Vision and Mission, policies, SOPs, HCV, Environment, Complaints, Fire, Sustainability and OHS to contractor employees on June 29, 2022 at the Pangkatan Estate office. The certification unit can show the materials, documentation and attendance list for the event.
- d. Socialization of the internal and external complaint mechanism on February 9, 2022, took place in the Pangkatan Estate Office yard. The certification unit can show the materials, documentation and attendance list for the event.
- e. Forest and land fire control training for employees of Sennah Estate and in collaboration with Manggala Agni on June 2-4, 2022, took place in the operational area of Pangkatan Estate. The certification unit can show the materials, documentation and attendance list for the event.
- f. Waste management training for Sennah Estate employees on May 10, 2022, took place in the Division 1 area of Sennah Estate. The certification unit can show the materials, documentation and attendance list for the event.

Based interviews with management revealed that the certification unit compiled a training program based on work units. Based on field observations and interviews with estate and mill employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

Based on interviews with management it was known that contractor workers were also included in the training organized by the certification unit, this is similar to the results of interviews with representatives of CV Anugerah and CV Teng Gaes Jaya where it is known that the certification unit always provides access to its employees to be included in training in order to improve their skills at work.

### 3.7.3

Training Program 2022 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2022 conducted 05 July 2022. The training subjected to SOP of Supply Chain and Traceability of Palm products. Training attended by relevant personnel including Mill Manager, Office Assistant, Field Assistant, weighbridge clerk, production clerk and security.

Based on interview to the workers involved in supply chain operations, such as security (for FFB receiving verification), weighbridge operator (for dividing amount of certified and uncertified sourced), the PIC related to supply chain has been understood the supply chain mechanism, and the MB record has conducted and monitored well.

	<b>Status: Comply</b>
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## 3.8

**Supply Chain Requirements for Mills**
**3.8.1 and 3.8.2**

The Mill implements the MB Module, which is received both FFB from certified and uncertified sources. Verification of Mass Balance record, the Mill has been recorded well the FFB and products (CPO and PK) from certified and uncertified sources. The Mill only claims certified products from certified sources.

**3.8.3**

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period

Products	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (MT) October 2021 – September 2022)	Projected Certified Volume (MT)
FFB Certified (MT)	245,000	187,555.78	195,000
CSPO (MT)	55,000	43,271.69	44,850
CSPK (MT)	13,000	9,869.71	9,750

On this license period pangkatan mill there are additional extend quota on 14 November 2022, covering:

- FFB : 60,000 MT
- CSPO : 12,500 MT
- CSPK : 3,000 MT

**3.8.4**

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

- Member Name: Pangkatan Palm Oil Mill
- License ID: CB9127036
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000000283
- RSPO Membership Number: 1-0027-06-000-00 (M.P. Evans Group PLC)
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

All transaction has been announced to RSPO IT Platform and confirmed shipped. During license it was known there is product sold as RSPO certified and non-certified/conventional as described in indicator 3.8.8 and 3.8.16. The company has been removed of certified stock for products sold as another scheme.

**3.8.5**

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

Based on field observation, obtained information that key persons for SSCS implementation (such as weighbridge operators, security, and Head of Administration) understood the supply chain implementation. FFB from certified and uncertified sources were received and verified by the software program to classified and separate RSPO certified and uncertified source.

**3.8.6**

Internal audit of RSPO SCCS conducted on 22 April 2022. All of SCCS indicators has been assessed and complied. Based on result of internal audit there is no non conformity regarding SCCS indicators. Management Review of RSPO SCCS implementation conducted on 24 Juni 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process performa and product compliance, follow up of previous management review, and recommendation for improvement.

**3.8.7**

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit (October 2021 – September 2022)

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment, and not exceed the estimate. 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:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Oct-21	13,546.15	2,556.38	16,102.53
Nov-21	14,179.69	2,943.24	17,122.93
Dec-21	13,301.84	3,313.78	16,615.62
Jan-22	11,383.66	2,357.57	13,741.23
Feb-22	11,628.25	2,357.79	13,986.04
Mar-22	16,155.44	3,241.70	19,397.14
Apr-22	15,721.89	3,883.95	19,605.84
May-22	15,907.32	841.44	16,748.76
Jun-22	19,137.82	83.43	19,221.25
Jul-22	17,697.52	1,723.22	19,420.74
Aug-22	20,280.35	4,131.87	24,412.22
Sep-22	18,615.85	5,154.08	23,769.93
<b>Total</b>	<b>187,555.78</b>	<b>32,588.45</b>	<b>220,144.23</b>

Estimated certified product recorded in the last assessment report (ASA 1.4) and certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (MT) October 2021 – September 2022)	Projected Certified Volume (MT)
FFB Certified (MT)	245,000	187,555.78	195,000
CSPO (MT)	55,000	43,271.69	44,850
CSPK (MT)	13,000	9,869.71	9,750

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

**3.8.8**

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on document verification and interview with management representative obtained information in last 12 months before audit (October 2021 – September 2022) the details of certified product (CSPO and CSPK) described below:

- CSPO sold under RSPO scheme : 16,483.91 MT
- CSPO sold under other scheme : 26,217.17 MT

- CSPK sold under RSPO scheme : 10,003.05

Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, for example

- **Shipping Announcement Transaction and Transaction Documents**

- a. CPO

<b>Seller</b> Member Name : Pangkatan Palm Oil Mill Member ID : RSPO_PO1000000283 Country : Indonesia	<b>Buyer</b> Member Name : PT Multimas Nabati Asahan Member ID : RSPO_PO100000150 Country : Indonesia
<b>Transaction</b> Seller contract number : PGI-CPO/SC/0422/0011 Seller reference number : PGI-CPO/DO/0422/0011 Buyer reference number : DO PGI-CPO/DO/0422/0011 1210129946	<b>Confirmation</b> Confirmation date : 14 June 2022
<b>Product Details</b> Product name : CSPO Supply chain model : MB Volume : 1,200 MT	<b>Traceability</b> Transaction ID : TR-42a7265c-2767 Transaction status : Confirmed Shipping/BL date : 07-05-2022

The shipping announcement based on CSPO selling contract between CSPO PT Pangkatan Indonesia and PT Multimas Nabati Asahan, with selling contract No PGI-CPO/SC/0422/0011 volume 1200 Ton dated 05 April 2022. Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer; PT Multimas Nabati Asahan in Kuala Tanjung, District of Batu Bara Sumatera Utara
- The name and address of the seller; Pangkatan Palm Oil
- The loading or shipment / delivery date; 11 – 21 April 2022 based on Delivery order No PGI-CPO/DO/0422/0011 dated 08 April 2022
- The date on which the documents were issued; 14 June 2022
- RSPO certificate number; MUTU-RSPO/051
- A description of the product, including the applicable supply chain model : MB

- b. PK

<b>Seller</b> Member Name : Pangkatan Palm Oil Mill Member ID : RSPO_PO1000000283 Country : Indonesia	<b>Buyer</b> Member Name : PT Multimas Nabati Asahan Member ID : RSPO_PO100000150 Country : Indonesia
<b>Transaction</b> Seller contract number : PGI-PK/SC/0322/0013 Seller reference number : PGI-PK/DO/0422/0013 Buyer reference number : DO PGI-PK/DO/0422/0013 1210129738	<b>Confirmation</b> Confirmation date : 14 May 2022
<b>Product Details</b> Product name : CSPK Supply chain model : MB Volume : 250 MT	<b>Traceability</b> Transaction ID : TR-f5051aba-4f55 Transaction status : Confirmed Shipping/BL date : 07-05-2022

The shipping announcement based on CSPK selling contract between CSPK PT Pangkatan Indonesia and PT Multimas Nabati Asahan, with selling contract No No PGI-PK/DO/0422/0013 volume 250 Ton dated 14 June 2022. Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer; PT Multimas Nabati Asahan in Kuala Tanjung, District of Batu Bara Sumatera Utara
- The name and address of the seller; Pangkatan Palm Oil

- The loading or shipment / delivery date; 05 -07 April 2022 based on Delivery order No PGI-PK/DO/0422/0013 dated 04 April 2022
- The date on which the documents were issued; 14 June 2022
- RSPO certificate number; MUTU-RSPO/051
- A description of the product, including the applicable supply chain model : MB

Furthermore, the unit of certification can present document related claim product such as delivery order and weighbridge slip that informed CSPO products that sold.

### 3.8.9, 3.8.10 and 3.8.11

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

### 3.8.12

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

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

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 12 months before audit (October 2021 – September 2022):

CSPO							
Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
opening stock	2,632.96	119.59	2,752.55				
Oct-21	3,125.66	583.85	3,709.51	147.21	2,500.00		2,647.21
Nov-21	3,175.34	649.41	3,824.74	1,001.88	2,500.00		3,501.88
Dec-21	3,063.36	759.19	3,822.56	-	2,500.00		2,500.00
Jan-22	2,583.99	536.46	3,120.45	-	2,500.00		2,500.00
Feb-22	2,685.22	540.49	3,225.71	-	2,500.00		2,500.00
Mar-22	3,737.46	740.51	4,477.97	1,600.00	2,500.00		4,100.00
Apr-22	3,555.13	883.15	4,438.28	2,495.08	1,500.00		3,995.08
May-22	3,729.72	194.90	3,924.62	1,119.25	-		1,119.25
Jun-22	4,565.01	21.90	4,586.91	3,131.64	2,500.00		5,631.64
Jul-22	4,180.91	378.67	4,559.58	3,477.80	2,115.18		5,592.98
Aug-22	4,636.92	935.88	5,572.80	1,811.05	2,500.00		4,311.05
Sep-22	4,232.97	1,165.99	5,398.96	1,700.00	2,601.99		4,301.99
<b>Total</b>	<b>43,271.69</b>	<b>7,390.40</b>	<b>50,662.09</b>	<b>16,483.91</b>	<b>26,217.17</b>		<b>42,701.08</b>
<b>Grand Total</b>	<b>45,904.65</b>	<b>7,509.99</b>	<b>53,414.64</b>	<b>16,483.91</b>	<b>26,217.17</b>		<b>42,701.08</b>



CSPK							
Period	CSPK production (MT)		Total	Cert PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
opening stock	304.93	-	304.93				
Oct-21	679.17	127.4	806.57	731.26	-	-	731.26
Nov-21	719.63	148.39	868.02	850.34	-	-	850.34
Dec-21	686.24	169.15	855.39	604.9	-	-	604.9
Jan-22	585.4	121.5	706.9	581.42	-	-	581.42
Feb-22	600	126.93	726.93	498.45	-	-	498.45
Mar-22	849.87	163.24	1,013.11	1,074.55	-	-	1,074.55
Apr-22	828.09	208.57	1,036.66	863.15	-	-	863.15
May-22	861.58	44.78	906.36	676.74	-	-	676.74
Jun-22	1,058.11	4.57	1,062.68	975.95	-	-	975.95
Jul-22	961.1	87.19	1,048.29	1,249.50	-	-	1,249.50
Aug-22	1,068.49	216.96	1,285.45	893.63	-	-	893.63
Sep-22	972.04	265.45	1,237.49	1,003.16	-	-	1,003.16
<b>Total</b>	<b>9,869.72</b>	<b>1,684.13</b>	<b>11,553.85</b>	<b>10,003.05</b>	-	-	<b>10,003.05</b>
<b>Grand Total</b>	<b>10,174.65</b>	<b>1,684.13</b>	<b>11,858.78</b>				

### 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 only applying RSPO SCC Module of Mass Balance.

### 3.8.16

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on document verification and interview with management representative obtained information in last 12 months before audit (October 2021 – September 2022) it was known the product only sold under certified product as described in table below :

	Dispatch period (MT)	
	October 2021 – September 2022	Total
CSPO sold under RSPO Scheme	16,483.91	16,483.91
CSPO sold under other scheme	26,217.17	26,217.17
CSPO sold as conventional	-	-
CSPK sold under RSPO Scheme	10,003.05	10,003.05
CSPK sold under other scheme		
CSPK sold as conventional	-	-

Documents verification and interview during an audit it was known the claimed RSPO product of CSPO and CSPK is no longer than 3 months since the product delivered, in example:

- CSPO Product with volume 1,200 MT, delivery period on 11 – 21 April 2022 based on Delivery order No PGI-CPO/DO/0422/0011 dated 08 April 2022 the shipping announcement was issued on 14 June 2022
- CSPK product with volume 250 MT, 11 – 21 April 2022 based on Delivery order No PGI-CPO/DO/0422/0011 dated 08 April 2022 the shipping announcement was issued on 14 May 2022

Since last onsite assessment it was known there were 26,217.17 MT CSPO Sold as other scheme and for CSPO sold as other scheme during this period has been removed from certified stock. The unit of certification can present removing allocated product from palm trace, based on documents and verification through RSPO IT Platform, as presented table below:

Stock Transaction ID	Date	Product	Transaction Volume (MT)	Status
ST-TR-2df5fc51-6200	09-09-2022	CSPO	8,200	Remove From Certified Stock
T-TR-611df353-413d	08-08-2022	CSPO	14,500	Remove From Certified Stock
ST-TR-777fe828-d2d4	18-10-2022	CSPO	2,602	Remove From Certified Stock

### 3.8.17

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

Status: Comply

## PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

### 4.1

**The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.**

#### 4.1.1

CH had a Policy concerning on Sustainability and Business Ethics (October 2021). This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. This policy is freely available on the Group's website and is regularly updated to reflect changes in regulations and standards. This policy deals with:

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

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

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

**4.1.2**

During the past year, the certification unit did not have records related to the use of violence / mercenaries or paramilitaries in resolving conflicts / problems that existed between the certification unit and related stakeholders (surrounding communities, workers, or others).

The results of interviews with the surrounding community (Perkebunan Pangkatan Village; Sennah Village; Negeri Baru Village) 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
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**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 certification unit has the following procedures:

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

It is further explained that if the complaint is not resolved by deliberation and consensus, then the certification unit and the party submitting the complaint want a resolution through the Mediation Forum. Mediation Forum meetings must be held at a third party location or other agreed neutrality venue. However, if the complaint whose resolution is not found together, the complainants can bring the compliance to the RSPO Complaints System.

Based on interview with community representatives known that during land acquisition process, all villager (land-owner) are free to deliver their comments or objection regarding to land acquisition process.

**4.2.2**

The certification unit has established a system for handling complaints and complaints for all affected parties which is documented in the Grievance Handling and Complaints Procedure. There are additional provisions regarding the implementation of communication and consultation procedures to stakeholders, where the socialization of this procedure is carried out by displaying the procedure in writing or by showing pictures so that it can be understood by stakeholders who cannot read and write.

The procedure states that all complaints must be registered in the Complaint Form in clear and easy to understand language. All complaint forms will be collected and registered monthly into the Grievance Register Book. Certification unit will respond to each complaint within 14 days from the date the complaint request was received.

The procedure has been socialized to estate and mill workers as well as to the surrounding community on June 21, 2022. Certification units can show the minutes and attendance lists for the socialization.

**4.2.3**

Based on document verification of internal and external complaint book for 2021-2022, it is known that there were no complaints from workers and the surrounding community.

Based on field observations and interviews with plantation and mill employees, it was revealed that the employees were aware of the PIC and the complaint mechanism. In addition, it was also explained that in the last 1 year there were no complaints from the certification unit's internal parties.

#### 4.2.4

The certification unit has a Procedure for Receiving Complaints and Settlement of Disputes. The procedure aims to provide assurance to whistleblowers who have a good will to report suspected abuse or divergent practices. Whistleblowers will be protected from retaliation or actions that may harm the whistleblower. Furthermore, regarding Confidentiality, it is explained that the certification unit encourages the whistleblower to write a clear and complete identity when reporting irregularities that occur. All forms of reporting irregularities will be guaranteed confidentiality by the certification unit. If the complaint cannot be resolved by consultation, it can follow up the next step or go through the process to the RSPO.

The certification unit already has officers who are responsible for handling complaints so that they continue to get further information related to the progress of complaint resolution, in this case the Assistant Public Relations/ CSR. The procedure also explained that the response time related to complaints was 2 weeks after the complaint was submitted.

At the time of the audit activity, there were 2 cases that were still in the completion stage with the following explanation:

1. Termination Cases of PT Pangkatan Indonesia's casual daily workers (Estate)  
<https://valito.id/17-buruh-pt-pangkatan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/>

During the audit activity, the certification unit shows the following problem solving progress documents:

- a. Tripartite negotiations with the Labuhanbatu District Manpower Office on August 28, 2020. The tripartite results refer to *Kepmenakertrans* No. 100 of 2004 and recommends that each party must provide a written answer no later than 10 days after receiving the recommendation. If one of the parties refuses the recommendation, they can proceed to the industrial relations court.
- b. The 17 employees of PT Pangkatan Indonesia with casual daily worker status authorized the Jonni Silitonga, S.H, M.H & Partners Law Office on January 15, 2021.
- c. Registration of the lawsuit at the Medan District Court on February 4, 2021.
- d. Copy of decision No. 44/Pdt.Sus-PHI/2021/PN.MDN dated October 24, 2021 between Samsianto et al (casual daily workers of PT Pangkatan Indonesia) and PT Pangkatan Indonesia. The results decided to punish the defendants to pay the rights of each plaintiff with a total value of IDR 310,047,500 and charge court fees to the defendant in the amount of IDR 1,210,000
- e. Based on the decision of the Medan District Court, the certification unit filed a cassation by showing the Deed of Statement of Cassation with No. 308/Kas/2021/PHI.Mdn.Jo on November 8, 2021.
- f. Decision of the Supreme Court of the Republic of Indonesia on April 20, 2022 with No. 734/K/Pdt.Sus-PHI/2022 expressed rejection of the cassation and corrected the Decision of the Industrial Relations Court at the Medan District Court on August 30, 2021.
- g. Notification of the Cassation Decision to the Cassation Petitioner by the Bailiff of the Medan District Court with No. 734K/Pdt.Sus-PHI/2022, Jo. No. 44/Pdt.Sus-PHI/2021/PN.Mdn dated September 1, 2022. Based on the document state that the certification unit must pay the employee's rights in accordance with the final decision.

During the audit activity, the auditor conducted interviews with 2 former employees of PT Pangkatan Indonesia with the initials PN and SM. From the results of the interviews, it was known that during the problem-solving process there was no indication

of threats from the company to 17 employees, it was further explained that all employees accepted the results of the cassation decision. Based on documents verifications and interview with managements obtained information that the submission of costs for compensation for casual works has received approval from management on 20 October 2022

Based on interviews with management revealed that until now, the certification unit is still in the stage of submitting payments at the head office, so certification unit has the opportunity to ensure the payment of the rights of 17 former employees in accordance with court decisions. **OFI**

## 2. Termination Cases of PT Pangkatan Indonesia's casual daily workers (Mill)

<https://valito.id/pengacara-ini-gugat-phk-imam-siswanto-buruh-pt-pangkatan-indonesia-ke-pphi/>

During the audit activity, the certification unit shows the following problem solving progress documents:

- a. Tripartite negotiations with the Manpower Office of Labuhanbatu District on October 14, 2021. The tripartite results recommended that the workers receive severance pay, gratuity for years of service and compensation for entitlements with a value of IDR 45,414,075 and recommended that each party must provide a written answer at least within 10 days after receiving the recommendation. If one of the parties refuses the recommendation, they can proceed to the industrial relations court.
- b. Imam Siswanto's party authorized the Jonni Silitonga, S.H, M.H & Partners Law Office on November 8, 2021 to continue the legal settlement of the case.
- c. Registration of Imam Siswanto's lawsuit to the Medan District Court on December 3, 2021.
- d. Medan District Court Decision No. 417/Pdt.Sus-PHI/2021/PN Mdn dated February 7, 2022 stated that the company must pay the claimant's rights amounting to IDR 94,530,997.
- e. Based on the decision of the Medan District Court, the certification unit filed an appeal by showing the document of the Deed of Statement of Application for Cassation with No. 101/Kas/2022/PHI.Mdn.Jo. No. 417/Pdt.Sus-PHI/2021/PN.Mdn dated May 9, 2022.

Based on interviews with management revealed that until now, the certification unit is still in the stage of waiting for the results of the cassation, so the certification unit has the opportunity to ensure the process of resolving the problem until the decision of the cassation by the Medan District Court. **OFI**

**Status: Comply**

### 4.3

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

##### 4.3.1

The company has identified the needs of the community around the company through SIA (Social Impact Assessment) conducted by an independent consultant and the company has made efforts to fulfill and determine the program.

The existence of PT Pangkatan Indonesia has an impact on the community around the company. Based on the results of the interviews, most of the people have felt the positive impact or benefits of the company's existence, such as the community interacting with the company in the form of cooperation with the company, the environment, discussing infrastructure issues. In addition, the existence of the company is also very useful, especially in absorbing labor for the community.

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

The company has identified the needs of the community around the company through SIA (Social Impact Assessment) conducted by an independent consultant and the company has made efforts to fulfill and determine the program.

Status: Comply

#### 4.4

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

##### 4.4.1

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

##### **PT Pangkatan Indonesia – Pangkatan Estate**

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

##### **PT Sembada Sennah Maju – Sennah Estate**

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

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

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

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

OFI

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

##### **4.4.2, 4.4.3, 4.4.4, 4.4.5 and 4.4.6**

The certification units are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements



<p>detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making. According to information gathered during stakeholder consultation with communities and Plantation Agency of Labuhanbatu District, it was clearly mentioned that no customary rights is available within the plantations.</p> <p>The results of interviews with the surrounding community (Perkebunan Pangkatan Village; Sennah Village; Negeri Baru Village) there was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there is no land right owned by community in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.</p>		
	Status: Comply	
<p><b>4.5</b> 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><b>4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8</b> There is no land expansion activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There were the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.</p>		
	Status: Comply	
<p><b>4.6</b> 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><b>4.6.1; 4.6.2</b> The company has procedure of Land Acquisition and Compensation, document No. PI/SOP/Umm-21 dated 28 December 2011 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives known that they know about the procedure through the socialization given and they agree with the procedure.</p> <p>The certification unit are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.</p>		
<p><b>4.6.3 and 4.6.4</b> The certification unit are one of long-established plantations company since Dutch colonial era. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.</p> <p>The results of interviews with the surrounding community (Perkebunan Pangkatan Village; Sennah Village; Negeri Baru Village) there was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there is no land right owned by community in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.</p>		
	Status: Comply	
<p><b>4.7</b> 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>		

**4.7.1; 4.7.2 & 4.7.3**

The certification unit has been operating since the Dutch colonial period which in 1968 finally had the right to erphact. Until now, the land rights owned are HGU which are still valid. However, the company has established procedure regarding land acquisition and identifying people and/or community groups entitled to compensation, in the document's procedure of Land Acquisition and Compensation, document No. PI/SOP/Umm-21, dated 28 December 2011. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives known that they know about the procedure through the socialization given and they agree with the procedure.

Based on the document review, interviews with community representatives from surrounding village, it was known there is no new land acquisition or compensation in the company operational area. As mentioned in the Criteria 4.4 the unit of certifications operational areas were not derived from indemnity land, however long established company since early 1900 where when the Indonesian did not yet exist and was still in the Dutch colony.

The results of interviews with the surrounding community (Perkebunan Pangkatan Village; Sennah Village; Negeri Baru Village) there was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there is no land right owned by community in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.

	<b>Status: Comply</b>	
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**4.8**

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

**4.8.1 – 4.8.4**

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

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

The company does not have independent farmers who supply FFB to the Mill, but the company cooperates with nearby FFB suppliers as a form of improving the welfare of the surrounding community.

**5.1.2**

Based on the results of interviews with the company, that the company provides information on FFB pricing through communication media (mobile).

**5.1.3**

Based on the results of interviews with the company that the company does not have farmers who supply FFB directly to the company.

**5.1.4**

The company cooperates with third parties in purchasing FFB, this is one form of improving the welfare of the surrounding community, not limited to men and women. The company also has proof of the FFB sale and purchase agreement and the contract has also been

understood by both parties.

Examples of the contents of the cooperation agreement for supplier Dewi Maya include:

- The object of sale and purchase is FFB
- FFB weighing will be weighed on the company-owned weighing bridge
- FFB price will be determined daily and no later than 18.30
- Payment and tax procedures
- Guaranteed FFB sent is legal FFB and is FFB belonging to the first party
- The term of the agreement is 1 year
- Etc

Based on this explanation, the company and the FFB supplier have agreed and have entered into a cooperation agreement based on legal provisions.

#### 5.1.5

The company can show an example of a FFB sale and purchase agreement, including with supplier Dewi Maya. The agreement explains, among others:

- The object of sale and purchase is FFB
- FFB weighing will be weighed on the company-owned weighing bridge
- FFB price will be determined daily and no later than 18.30
- Payment and tax procedures
- Guaranteed FFB sent is legal FFB and is FFB belonging to the first party
- The term of the agreement is 1 year
- Etc

Based on the results of the document review, it is known that the agreement has been made fairly, in accordance with applicable law, and is transparent, and has an agreed term. And signed by both parties on stamp duty.

#### 5.1.6

The company can show an example of a FFB sale and purchase agreement, including with supplier Dewi Maya. The agreement explains, among others:

- The object of sale and purchase is FFB
- FFB weighing will be weighed on the company-owned weighing bridge
- FFB price will be determined daily and no later than 18.30
- Payment and tax procedures
- Guaranteed FFB sent is legal FFB and is FFB belonging to the first party
- The term of the agreement is 1 year
- Etc

The company also has an example of proof of FFB payment on September 08, 2022 for supplier Dewi Maya with Transaction Number 202209081335543554.

#### 5.1.7

The company has a bridge scale that was calibrated by the Legal Metrology UPTD which was carried out on August 9, 2022 and will be recalibrated on August 9, 2023 on 2 units of bridge scales, namely:

- Bridge scales with a capacity of 40,000 kg/10 kg with No. Series 110350189
- Bridge scales with a capacity of 40,000 kg/10 kg with No. Series 124950296

#### 5.1.8

The company does not have independent farmers who supply FFB to the mill, but the company cooperates with third parties in purchasing FFB, this is a form of improving the welfare of the surrounding community, not limited to men and women. The company also has proof of the FFB sale and purchase agreement and the contract has also been understood by both parties.

Examples of the contents of the cooperation agreement for supplier Dewi Maya include:

- The object of sale and purchase is FFB

- FFB weighing will be weighed on the company-owned weighing bridge
- FFB price will be determined daily and no later than 18.30
- Payment and tax procedures
- Guaranteed FFB sent is legal FFB and is FFB belonging to the first party
- The term of the agreement is 1 year
- Etc

Based on this explanation, the company and the FFB supplier have agreed and have entered into a cooperation agreement based on legal provisions.

#### 5.1.9

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

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

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

Status: Comply

#### 5.2

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

##### 5.2.1

Based on the results of interviews with the company that the company does not have farmers who supply FFB directly to the company.

##### 5.2.2.

Based on the results of interviews with the company that the company does not have farmers who supply FFB directly to the company.

The company does not have independent farmers who supply FFB to the mill, but the company cooperates with third parties in purchasing FFB, this is one form of improving the welfare of the surrounding community, not limited to men and women. The company also has proof of the FFB sale and purchase agreement and the contract has also been understood by both parties.

Examples of the contents of the cooperation agreement for supplier Dewi Maya include:

- The object of sale and purchase is FFB
- FFB weighing will be weighed on the company-owned weighing bridge
- FFB price will be determined daily and no later than 18.30
- Payment and tax procedures
- Guaranteed FFB sent is legal FFB and is FFB belonging to the first party
- The term of the agreement is 1 year
- Etc

Based on this explanation, the company and the FFB supplier have agreed and have entered into a cooperation agreement based on legal provisions.

##### 5.2.3; 5.2.4; 5.2.5

Based on the results of interviews with the company that the company does not have farmers who supply FFB directly to the company.

		Status: Comply	
<b>PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS</b>			
<b>6.1</b>			
<b>Any form of discrimination is prohibited.</b>			
<b>6.1.1</b>			
<p>The certification unit had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of Evans Group Indonesia. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. The Group aims to provide fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace, stated specifically as follows:</p> <ol style="list-style-type: none"> <li>The Group provides equal opportunities for every worker to get a job and earn a decent income, as well as get career opportunities, regardless of all forms of discrimination, namely: race, caste, nationality, ethnicity, religion, disability, gender, sexual orientation, union membership political affiliation and age.</li> <li>The Group assigns each workforce according to their skills, abilities, work experience and business and operational needs.</li> <li>The Group will not tolerate any discrimination based on sex such as role restrictions, labeling, violence, intimidation and excessive workload.</li> <li>The Group will at all times comply with laws on discrimination in the process of termination of employment, terms and conditions of employment, wages and benefits, promotion and transfer opportunities, training, recruitment and reduction of workers.</li> </ol> <p>Based on the workers' recruitment document, the certification unit had provided equal opportunities in recruitment and operational activities. In addition, in CLA period 2021-2023, it stated the qualifications of workers and there were no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief.</p> <p>Based on the interviews with the gender committee, women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several lost fruit pickers are female workers.</p>			
<b>6.1.2</b>			
<p>The certification unit shows an employee list document that informs religion, ethnicity and gender for the period August – October 2022. From the document it is known that the employees in each unit come from different regions, for example: Wonosobo, Flores, Magelang, Bandung, Boyolali, Bulukumba, Klaten, Temanggung, Banda Aceh, Lombok, Medan, Trenggalek, Purbalingga, Jember, and Maumere. From the document it is also known that the employees who work consist of Muslims, Catholics, Protestant Christians, and Hindus.</p> <p>In addition, there are no migrant workers. All recruitment is carried out in accordance with the certification unit's employee recruitment SOP.</p> <p>Based on the foregoing, it is known that there is no discrimination against religion, ethnicity and class in obtaining employment.</p>			
<b>6.1.3</b>			
<p>During recruitment process, the certification unit had set the standard of competence that required based on the position offers. Selection had included evaluation towards skills, performance, and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with company regulation including rights of worker as well.</p> <p>Records on manpower procedure had been documented, as verified randomly to the several documents, as follows:</p> <ol style="list-style-type: none"> <li>Employee job application letter with initials AN dated December 20, 2021. The application letter is accompanied by several</li> </ol>			

supporting documents, including: identity card and family card, personal data of prospective employees, results of medical check-ups, test results and interviews.

- b. Work agreement Letter dated January 1, 2022 between PT Pangkatan Indonesia and employee initials AN. The work agreement explains the rights and obligations of employees.
- c. Decree No. 12/SK-(SKU-H)/(PGM)/2022 dated April 1, 2022 regarding the promotion of employees with Employee No. 12100090108970001 who were previously contract worker to permanent. The decision is effective from April 1, 2022.
- d. Mutation Decree from Estate Manager Bilah Estate with No. 579/BIE/VIII/2022 dated August 3, 2022 regarding the work transfer of 5 employees from maintenance workers to loaders starting August 1, 2022.
- e. Decree from the Assistant Head of In-charge with No. 003/SK-PHK/PGE/VII/2022 dated July 22, 2022 regarding the determination of the termination of employment (*PHK*) of employees with the initials SP. The process of employee termination has been started since the issuance of the relief letter I until the letter of employee termination.

#### 6.1.4

The certification unit does not perform a pregnancy test at the time of employee recruitment. Pregnancy checks are only carried out for spray and fertilizer workers on a monthly basis to find out whether workers are pregnant or not. Pregnancy checks are only carried out for female workers who do not use contraception.

Based on interviews with representatives of the gender committee and female employees in the field, it is known that pregnant workers will be transferred to jobs that do not endanger pregnancy, for example as guard officers in daycare or manual care workers.

#### 6.1.5

The certification unit has a gender committee that has been formed since 2001 and is chaired by the committee chair and coordinator in several sections and there is a representative in each unit. The structure of the gender committee consists of women and men workers. The main purpose of establishing a gender committee is to provide a forum that can accommodate workers' aspirations or complaints, as a partner of the certification unit in carrying out socialization activities related to gender and other policies related to workers' reproductive rights.

It was further explained that the gender committee provides support to female employees, including protection and maintenance of women's health, maintenance of family life and welfare, protection from sexual harassment and violence, providing continuing education that gender equality exists in the unit of certification.

The unit of certification also demonstrates policies against sexual harassment, violence, and reproductive rights. It states that the unit of certification is committed to supporting the reporting of all incidents of sexual harassment, violence, harassment, and violations of reproductive rights experienced by every individual (regardless of gender and age).

#### 6.1.6

The certification unit does not discriminate against workers' rights, this is indicated by the payment of equal wages for workers in the same scope of work. The certification unit issued a decision on the payment of salaries for permanent employees in 2022 based on the Decree of the Governor of Sumatera Utara No. 188.44/787/KPTS/2021 concerning the 2022 District Minimum Wage. The decree stipulates the minimum wage for the estate and mill sector at IDR 2,904,569. The certification unit in this case shows proof of payment of salary that is equivalent to the scope of work by showing the salary slip for machine room operators and mill security for the period of September 2022 where overtime payments have been paid in accordance with applicable regulations and the working hours of employees, for example overtime for boiler operators with value of IDR 6,858,796 while overtime for security with a value of IDR 2,597,740, and its confirmed during interview with workers during field visits.

The certification unit has also developed a salary structure and scale that applies to employees with more than 1 year of service



based on the Decree from the Director with No. 028/SK.UPAH/P1-HR/IV/2022 dated April 26, 2022. In the document it is known that the highest wages are employees of class EL6 with a value of IDR 4,075,000 while the lowest salary is employee of class P1 with a value of IDR 3,300,000

It was further explained that the structure and scale of wages were determined based on years of service and an annual performance appraisal by each supervisor.

Status: Comply
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## 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

#### Implementation of Employment Procedures

The certification unit shows a sample of job requirements documents for new employees as follows:

1. Job application letter for prospective employees with the initials AN dated December 20, 2021. Attached documents sent by prospective employees are the latest education certificate, police record, identity card, and family card.
2. Confirmation of application for new employee acceptance with initials AN. The document explains the work location, position, class and wages that will be received every month.
3. Work Agreement between certification unit and the employee with the initials AN. The document explains the duties and responsibilities of employees, rights obtained by employees and the term of the work agreement.
4. A doctor's certificate stating that the employee with the initials AN has undergone a medical examination with the results being healthy and ready to work.

#### Collective Labour Agreement

Provisions related to work agreements have been contained in the Collective Labour Agreement (2021-2023), including regulating the rights and obligations of workers listed in detail, workers accepted have a minimum age according to applicable regulations, PPE obligations, working hours, overtime, maternity leave, facilities provided to workers and *BPJS*. It was further explained that the work agreement was written in Indonesian and signed by the worker and the certification unit. The Collective Labor Agreement has been approved by the relevant agencies based on the Decree of the Head of the Manpower and Transmigration Office of Labuhanbatu Regency dated December 28, 2021.

#### Implementations of Minimum wages

The certification unit issued a decision on the payment of salaries for permanent employees in 2022 based on the Decree of the Governor of Sumatera Utara No. 188.44/787/KPTS/2021 concerning the 2022 District Minimum Wage. The decree stipulates the minimum wage for the estate and mill sector at IDR 2,904,569.

The certification unit has also developed a salary structure and scale that applies to employees with more than 1 year of service based on the Decree from the Director with No. 028/SK.UPAH/P1-HR/IV/2022 dated April 26, 2022. In the document it is known that the highest wages are employees of class EL6 with a value of IDR 4,075,000 while the lowest salary is employee of class P1 with a value of IDR 3,300,000

Based on interviews with estate and mill workers revealed that each worker had received wages in accordance with applicable regulations. It was further explained that until the audit activity took place, there had never been a violation regarding the payment of employee wages, in example:

1. Estate employee salary slip for September 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations.

2. Overtime payment on September 2022 for workers who work more than 7 hours a day which details of overtime calculation is in accordance with applicable regulations. The salary is given by transferring to the bank account of each employee. Thus, the certification unit has carried

Based on field observations and interviews with mill and estate employees revealed that the certification unit had paid employee wages and overtime in accordance with applicable regulations, further explained by the employee that there were no difficulties in applying for employee leave.

Based on field observations and interviews with employees in the estate and mill areas show that each employee has a work agreement with the certification unit and has understood the rights and obligations of being an employee of the certification unit

### 6.2.2

The certification unit shows the Collective Labour Agreement (2021-2023) which has been ratified based on the decision letter from the head of the Labuhanbatu District Manpower Office

- a. No. 560/004/DTK-4/2022 dated 3 January 2022. (PT Sembada Sennah Maju).
- b. No. 560/002/DTK-4/2022 dated 3 January 2022. (PT Pangkatan Indonesia).
- c. No. 560/003/DTK-4/2022 dated 3 January 2022. (PT Bilah Plantindo).

Provisions related to work agreements have been contained in the Collective Labour Agreement (CLA), including regulating the rights and obligations of workers listed in detail, workers accepted have a minimum age according to applicable regulations, PPE obligations, working hours, overtime, deduction, maternity leave, facilities provided to workers, BPJS, workforce development, social security, OHS, work procedures for resolving complaints and industrial relations disputes. It was further explained that the work agreement was written in Indonesian and signed by the worker and the certification unit. The CLA have been approved by the relevant agencies based on the Director General Decree of Industrial Relations Development and Labor Social Security. The CLA has been conveyed to all workers through socialization carried out in stages in estate and mill starting from February - April 2022.

Based on verification of work agreement documents and employee salary slips for the July – September 2022 period, it is known that all work agreements have been registered to the manpower agency. Regarding employee payroll, the certification unit has implemented a structure and scale of wages for employees with a service period of more than 1 year.

Based on the verification of employee salary slips, it shows that the payslips provide accurate and good information regarding wages, compensation and deductions for each employee. Based on interviews with plantation and mill employees, it is shown that the certification unit always provides socialization related to item information on salary slips so that employees are not confused or misinterpreted.

Based on verification of the employee list document for the period of August - October 2022, it is known that the certification unit also employs employees with contract status in each unit and all contract employees had been registered with the local manpower office. It was further explained that contract employees were only hired not for the main work, for example: upkeep and manuring. The certification unit in this case shows the employment contract documents for contract employees as follows:

- a. Work Agreement Letter No. 018/BIE/IV/2022 dated April 1, 2022 for BIE employees with employee ID 2021065077.
- b. Work Agreement Letter No. 088/PGE/VIII/2022 dated August 1, 2022 for PGE employees with employee ID 2021014188.
- c. Work Agreement Letter No. 025/SNE/III/2022 dated March 11, 2022 for SNE employees with employee ID 2020072925.

Based on field observations and interviews with estate and mill employees, it is known that the certification unit has implemented labour regulations properly in accordance with applicable regulations. It was further explained that until now, there has never been a case related to employment.

**6.2.3**

The certification unit shows documents related to evidence of compliance with labour provisions as follows:

1. Pangkatan, Sennah and Bilah Estate employee salary slip for September 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations.
2. Overtime payment for Pangkatan, Sennah and Bilah employee on September 2022 for workers who work more than 7 hours a day which details of overtime calculation is in accordance with applicable regulations. The salary is given by transferring to the bank account of each employee. Thus, the certification unit has carried out the payment of employee salaries in accordance with applicable regulations.
3. Menstruation leave document for a day on 23 July 2022.

Based on field observations and interviews with mill and estate employees revealed that the certification unit had paid employee wages and overtime in accordance with applicable regulations, further explained by the employee that there were no difficulties in applying for employee leave.

Based on the above, the certification unit can show good documentation related to regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice.

**6.2.4**

The certification unit provides facilities and infrastructure for employee welfare. Based on field observations at employee facilities, the following are known:

1. Housing with livable conditions in the form of permanent buildings for workers located in estates and mills. Housing is provided for each family, while single employees occupy a house with 2 occupants.
2. The source of clean water comes from well water with suitable conditions for use. For central housing and factories get water supply from water treatment.
3. Medical services are provided by clinics located in each estate.
4. Educational facilities are available from elementary school until junior high school. As a supporting facility for school children, the certification unit has provided transportation facilities in the form of a pick-up bus.
5. Places of worship in the form of Mosque and Church. Sports facilities include soccer fields, volleyball and badminton. In addition, there are employee halls, child care facilities, and canteens that provide basic needs/ staple food for employees.

Based on field observations in residential areas, it is known that there are several stalls owned by employees that provide basic daily needs at affordable prices.

Based on document verification and interviews with mill and estate staff, it appears that the certification unit has a budget for housing repairs.

**6.2.5**

Based on field observations and interviews with estate and mill employees revealed that in the certification unit's environment there are basic food cooperatives, vegetable vendors and stalls in the employees' homes that provide their daily needs at affordable prices.

**6.2.6**

The certification unit has calculated the prevailing wages and in-kind benefits based on the guidelines issued by the RSPO. Prevailing wages are taken from prevailing wages such as basic wages/ minimum wages. Meanwhile, in-kind benefits are taken from all costs incurred by the certification unit for the provision and maintenance of facilities provided by the certification unit to employees, such as

electricity, housing, water, schools, health facilities, and baby care. For example, to calculate the in-kind benefit of housing, the costs considered in the calculation include building material costs, construction costs, and including maintenance costs for 25 years (technical considerations of buildings are feasible to use). The calculation result of prevailing wages and in-kind benefits received by employees is IDR. 3,572,293/ month (Minimum wages in 2022, IDR. 3,163,000/ month + in-kind benefit, IDR. 409,293/ month).

Based on interviews with management representatives revealed that the calculation of a Decent Living Wage is based on actual and rational prices at the certification unit location.

### 6.2.7

All workers working in the certification unit are permanent and contract workers. For work that is permanent in its entirety by permanent workers. Non-permanent work employed by contract workers is maintenance workers in the estate. For the work given to the contractor, it has completed the regulated requirements such as a work agreement, wages that match the minimum wage, providing PPE, being registered as a member of *BPJS*, the contractor has a business license (*SIUP*), certificate of company registration (*TDP*) and others.

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

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

The policy is publicly available on the certification unit website in two languages (Indonesian and English), and has been gradually disseminated to all workers on 9 – 11 February 2022. The certification unit can show the socialization documents and documentation of the activity.

Based on interview with *Serikat Pekerja Mandiri (SPM)* management representatives known that the certification unit has accommodated employee rights to argued, associate and organize in an organization. Employees, including migrant and transmigrant workers were allowed to form associations and bargain collectively with their employer. There was no migrant and transmigrant since 2015.

There were *SPM* in each unit that have been registered in Department of Manpower and Transmigration Labuhanbatu District. *SPM* management is independent from certification unit workers.

Labour laws, union agreements which described in CLA 2021 – 2023 and direct contracts of employment detailing payments and other conditions was made available in the languages which understood by the workers and explained carefully to them by management official.

Based on field observations and interviews with estate and mill worker revealed that the certification unit routinely socializes related freedom of association and the delivery of employee complaints.

### 6.3.2

The certification unit shows the minutes of the meeting of the LKS Bipartite, for example:

- a. Internal meeting of *SPM-Bilah* on November 8, 2021 and attended by 20 members of the management. as for the meeting for the election of a new board of directors for the period 2022 - 2025. The certification unit can show documentation and attendance lists for these activities.
- b. Internal meeting of *SPM-Pangkalan* on April 20, 2022 and attended by 10 members of the board. as for the discussion at the meeting related to changing days and joint leave on Eid holidays. The certification unit can show documentation and attendance list for the event.
- c. Internal meeting of *SPM-Sennah* on April 25, 2022 and was attended by 18 members of the board. as for the discussion at the meeting related to the wage system in 2022. The certification unit can show documentation and attendance lists for these activities.

Based on the foregoing, it is known that the certification unit already has good documentation regarding the Labour Union internal meetings.

### 6.3.3

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

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

Based on interviews with Labour Union officials in each unit, it was revealed that the certification unit fully supports all organizational activities without any intervention. It was further explained that until the audit activity took place, there had never been a conflict of interest with the certification unit.

Status: Comply
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## 6.4

### Children are not employed or exploited.

#### 6.4.1

The certification unit has a policy concerning on Sustainability and Business Ethics, which states that certification unit does not tolerate child labour, any form of child exploitation and child abuse. The certification unit has committed to prohibiting the use of child labour and forced or compulsory labour in its operations. In addition, child labour clauses apply across MP Evans's global operations, including subsidiaries, joint ventures and third party suppliers. In addition, the CLA also states that the recruitment requirements for new employees must not be under the age of 18.

This policy has been socialized to all employees in each estate, mill and local contractor. The certification unit can show documentation, attendance list and information dissemination of the policy.

Based on field observation and interviews with estate and mill workers, known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of certification unit and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 25 years old when entering work in 2018.

#### 6.4.2

The certification unit shows a list of employees accompanied by date of entry and date of birth. In addition, an example of proof of recruitment is also shown in the form of a copy of the employee's ID card and family card. From these data it is known that there are no employees under 18 years of age when accepted to work at the certification unit.

Based on field observations and interviews with estate, mill, and contractor employees revealed that there were no employees under

the age of 18 when they started working.

#### 6.4.3

The certification unit shows the 2022 Student Internship List document. In the document it is explained that there are 6 students who are interning in the certification unit's operational area and come from different schools.

It was further explained that the students did internships for 1 month starting on August 1, 2022. Based on interviews with management revealed that these students did internships in the administration of the estate and mill offices.

#### 6.4.4

Based on interviews with the gender committee and workers in the field revealed that the workers had understood the rules regarding the prohibition of bringing children to work. The certification unit also showed the news of the socialization and education on child protection and development on February 3, 2022 attended by 12 participants.

Status: Comply
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### 6.5

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

#### 6.5.1

The certification unit had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of MP Evans Group PLC. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. It stated that the group strives to provide a conducive work environment characterized by equality and mutual respect, and encourages reporting of all incidents sexual violence and harassment, and violations of reproductive rights experienced by every individual. The gender committee was formed to provide support for female workers against sexual harassment and violence and to communicate and communicate the policy to all workers.

This policy has been socialized to all employees in each estate, mill and local contractor. Certification unit can show documentation, attendance lists and socialization materials.

Based on interview with gender committee, estate and mill worker the policy had disseminated to workers through gender committee meetings with workers and in the last year period, that hasn't any issue/ incident related to sexual harassment, violence at work/ reproductive rights. All of the same benefits have been obtained by all female workers, starting from the provision of wages, leave, promotions, rice allowances, and other benefits, including the provision of special time while working to breastfeed their children. Based on documents verification related to reproductive rights, it is known that female workers have received the same benefits as male workers, including rice allowance with the same value as workers, given the same freedom of association, getting menstruation leave (H1) and maternity leave (H2), getting special time to breastfeed while working and placing the location/type of work that is not related to chemicals or other hazardous areas

#### 6.5.2

The certification unit had a Policy Concerning on Sustainability and Business Ethics. This policy applies to all operational areas of MP Evans Group PLC. The Group's subsidiaries, employees, contractors, consultants and group's guests are required to obey the policy. The policy states that MP Evans Group PLC strives to provide a conducive work environment characterized by equality and mutual respect, and encourages reporting of all incidents of violence and sexual harassment, and violations of reproductive rights experienced by each individual. The gender committee was formed to provide support for female workers against sexual harassment and violence and to communicate and communicate the policy to all workers. Furthermore, The certification unit has a gender committee. A gender committee has been formed chaired by the chair of the committee and coordinators in several sections and there are representatives in each unit. The gender committee structure consists of female and male workers. The main purpose of establishing a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers (women and men), as certification unit partners in carrying out socialization activities related to gender and other policies related to workers'



reproductive rights.

This policy has been socialized to all employees in each of the estate, mill and local contractors, for example on June 25, 2022 at Sennah Estate. The certification unit can show documentation, attendance list and socialization materials.

During the audit activity, the certification unit can show the documents for submitting maternity leave or menstruation leave in 2022 as follows:

- a. Application for menstrual leave by employees with Employee No. 20221065109 on July 22, 2022 for 1 day.
- b. Application for maternity leave by employees with Employee No. 2010120519 on March 28, 2022 for 3 months.

### 6.5.3

The certification unit shows the document for the list of new mothers in 2022. From the list, it is known that from January to September 2022 there were 23 employees. Furthermore, the certification unit showed the document Identification of the Needs of New Mothers in which the assessment was carried out on 23 employees who were pregnant since 2022. From the results of the assessment, several things were known as follows:

- a. Post-delivery needs include: immunizations, vitamins, health services, and breastfeeding corners.
- b. Provision of special time for breastfeeding children.
- c. A place for child care while the mother is working.
- d. *Posyandu* service.

From the results of the assessment, the company took several follow-up actions, including:

- a. Providing vitamins at the clinic and adding breastfeeding corner space elsewhere.
- b. The certification unit has determined the provision of time for breastfeeding while on the job.
- c. The certification unit has provided *posyandu* service facilities at the clinic.

Based on interviews with gender committee and women worker, it is known that the certification unit has provided a certain place for breastfeeding at clinic with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered/ picked up by the foreman at these times.

### 6.5.4

The certification unit showed the procedure to accommodate complaints and grievances from employees specifically in sexual harassment and violence. In the procedure described that if requested, the certification unit guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistle-blower).

Besides that, the certification unit has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of gender committee, or their foreman. Based on interview with the board of gender committee in each unit, the certification unit provides the female worker with menstrual leave for a day, and pregnant leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, certification unit give special breast feeding time for female worker, but prohibit the worker from working with chemical material.

Status: Comply
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## 6.6

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

### 6.6.1

Based on interviews with operational staff revealed that all employees were those who passed the recruitment and selection process according to certification unit procedures and requirements. Certification unit post job vacancies then prospective workers come voluntarily to apply for jobs that are available for free and there is no holding of identity documents. Overtime is monitored by the

certification unit and workers are given the freedom to choose overtime. The certification unit also does not force or make it difficult for employees to resign. There is no penalty for termination if they wish to terminate the contract early.

Based on employee data review, most of the workers came from local communities, Wonosobo, Flores, Magelang, Bandung, Boyolali, Bulukumba, Klaten, Temanggung, Banda Aceh, Lombok, Medan, Trenggalek, Purbalingga, Jember, and Maumere. In employee list September 2022, known that there are no migrant workers or forced labour. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker. Most of the workers came from local communities. They have the recruitment process in the certification unit and is in accordance with applicable employee acceptance procedures. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker, for example:

- a. There is no retention for identity, because all labour documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- b. There is no contract substitution.
- c. The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to work and the company gave all their rights as fully resigned workers without any shortcomings.

There is no coercion in doing overtime work, workers who do overtime at the certification unit can refuse if ordered to do overtime activities because overtime is not the worker's obligation, and the certification unit also does not prohibit this.

Based on verification document, field observation, and interviews with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of forced labour. There is no threat against family members. Based on document verifications and field observations in spraying & harvesting activities at Estate and Mill operations activities, there were no forms of forced or trafficked labour are used.

#### 6.6.2

There are no migrant workers who work in the certification unit's operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in certification unit regulations, CLA, and in work agreements. Based on the employee list, it is known that there are 2 types of workers who work in the certification unit, namely permanent and contract workers. The certification unit in this case shows proof of recording of contract employees to the relevant agencies as follows:

- a. Proof of contract worker registration of PT Bilah Plantindo to the Labuhanbatu District Manpower Office with No. 560/2025/DTK-4/2022 dated July 25, 2022. The document explains that there are 93 employees with contract status registered.
- b. Proof of contract worker registration of PT Pangkatan Indonesia to the Manpower Office of Labuhanbatu District with No. 560/2486/DTK-4/2022 dated September 5, 2022. The document explains that there are 10 employees with contract status registered.
- c. Proof of contract worker registration of PT Sembada Sennah Maju to the Labuhanbatu District Manpower Office with No. 560/1629/DTK-4/2022 dated June 24, 2022. The document explains that there are 20 employees with contract status registered.

During the audit activity, the certification unit shows a sample of contract employee documents in each unit as follows:

- a. Work Agreement Letter No. 018/BIE/IV/2022 dated April 1, 2022 for BIE employees with employee ID 2021065077.
- b. Work Agreement Letter No. 088/PGE/VIII/2022 dated August 1, 2022 for PGE employees with employee ID 2021014188.
- c. Work Agreement Letter No. 025/SNE/III/2022 dated March 11, 2022 for SNE employees with employee ID 2020072925.

Based on the verification of work agreement documents for contract employees are known that the certification unit has its own policies for contract employees which have also been written in each employee's employment contract, for example related to

registration of work agreements, contract employees are not hired for the main job, and renewal/ extension of work contracts.		
	Status: Comply	
<b>6.7</b>		
<b>The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</b>		
<b>6.7.1</b>		
The company formed an Occupational Safety and Health Committee (P2K3) to be in charge of the OHS program, with details as follows:		
<ul style="list-style-type: none"> <li>P2K3 Pangkatan Estate based on the Decree of the Head of the Manpower Office of Labuhanbatu District Number KEP.401/P2K3/DTK-4/2017. The secretary of P2K3 Leni Anggraini with the Decree on the Appointment of OHS Expert of the Minister of Manpower of the Republic of Indonesia No. 5/2379/AS.02.04/III/2020 on behalf of Leni Anggraini dated March 3, 2020 valid for 5 years.</li> <li>P2K3 Pangkatan POM based on the Decree of the Head of the Office of Social Affairs, Manpower and Transmigration of Labuhanbatu District Number KEP.09/P2K3/DSTKT-4/2016. The secretary of P2K3 an. Rizky Hendra with the Decree on the Appointment of OHS Expert of the Minister of Manpower of the Republic of Indonesia No. 5/2379/AS.02.04/III/2020 on behalf of Leni Anggraini dated March 3, 2020 valid for 5 years.</li> <li>P2K3 Bilah Estate based on the Decree of the Head of the Office of Social Affairs, Manpower and Transmigration Labuhanbatu District No. 134/P2K3/DSTKT-4/2014. The secretary of P2K3 Jefri with the Decree on the Appointment of OHS Expert of the Minister of Manpower of the Republic of Indonesia No. 5/2378/AS.02.04/III/2020 on behalf of Jefri on March 3, 2020 valid for 5 years.</li> <li>P2K3 Sennah Estate based on the Decree of the Head of the Office of Social Affairs, Manpower and Transmigration Labuhanbatu District No. KEP.902/P2K3/DSTKT-4/2014 dated December 3, 2014. As for the secretary of P2K3 Sumarlin with the Decree on the Appointment of OHS Expert of the Minister of Manpower of the Republic of Indonesia No. 5/2381/AS.02.04/III/2020 on behalf of Sumarlin dated March 3, 2020 valid for 5 years.</li> </ul>		
The company routinely sends quarterly P2K3 reports to the Labor Inspection Unit for Labuhanbatu District, for example:		
<ul style="list-style-type: none"> <li>P2K3 Report 3th Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on October 14, 2022. (Pangkalan POM and Estate)</li> <li>P2K3 Report 3th Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and UPT Labor Supervision of Labuhanbatu District on October 13, 2022. (Bilah Estate)</li> <li>P2K3 Report 3th Quarter 2022 to the Department of Manpower and Transmigration of Sumatera Utara Province and the Labor Inspection Unit of Labuhanbatu District on October 14, 2022. (Sennah Estate)</li> </ul>		
The company holds P2K3 meetings every month, for example:		
<ul style="list-style-type: none"> <li>Pangkalan Estate on September 23, 2022 with discussions on Work Accidents &amp; OHS, Completeness of PPE in the field, Environmental Hygiene, Completeness of Work Equipment Safety, HIRAC, and Covid 19 Development which was attended by 20 Workers.</li> <li>Pangkalan Mill on September 24, 2022 with discussions on Work Accidents &amp; OHS, Completeness of PPE in the field, Environmental Hygiene, Completeness of Safety of work equipment, HIRAC and fire extinguisher which was attended by 10 workers.</li> <li>Bilah Estate on September 21, 2022 with discussions on Occupational Accidents &amp; OHS Completeness of PPE in the field, Environmental Cleanliness, Completeness of Work Equipment Safety, HIRAC, and fire extinguisher which was attended by 9 Workers.</li> <li>Sennah Estate on September 21, 2022 with discussions on Work Accidents &amp; OHS, PPE in the field, Environmental Cleanliness, Safety Equipment for work tools, HIRAC, and fire extinguisher which was attended by 5 workers.</li> </ul>		
<b>6.7.2</b>		
The company demonstrates K3 procedures in Indonesian that can be understood by workers, some of which are listed in the following documents:		

- Personal Protective Equipment, Document number IDN-OSH-SOP02-03 effective date 24 May 2022.
- P2K3, Document number IDN-OSH-SOP03-01 effective date 10 February 2021.
- Health Checkup, Document number IDN-OSH-SOP04-02 effective date 24 May 2022
- Fire Extinguisher, Document number IDN-OSH-SOP-05-01 effective date 10 February 2021
- HIRAC Document number IDN-OSH-SOP-06-01 effective date 10 February 2021
- First aid kit Document number IDN-OSH-SOP-07-01 effective date April 13, 2021
- Work Accident Document number IDN-OSH-SOP-12-01 effective date 24 May 2022

The results of field observations and interviews in the Estate and Mill areas showed that harvest workers, sprayers, warehouse workers, and Mill workers could explain OHS procedures including emergency response procedures and the procedures that were owned were clearly understood by all workers.

Business Actors have an emergency response organization. Business Actors show the organizational structure of the Land and Forest Fire Management Task Force in the document of the Emergency Management Team which was ratified in 2022 which is briefly explained as follows:

- Chairman
- Vice Chairman
- Security Sector, Evacuation Sector, Health Sector, Communication and Social Relations Sector, and Evacuation Sector.
- Member

There are officers assigned to the field and work sites who have received first aid training in accidents as evidenced by a training certificate. The officers are:

- Pangkatan Estate and Mill on behalf of Yosia Adetyawan Prasetyo with first aid officer license number No. 101-7/P3K/WIL-IV/DTK/SU/2022 with a validity period of up to August 3, 2025.
- Bilah Estate on behalf of Imran Maruli Tua Sihombing with first aid officer license number No. 102-7/P3K/WIL-IV/DTK/SU/2022 with a validity period of up to August 3, 2025.
- Sennah Estate on behalf of Tri Azrul Disyamto with a first aid officer license number No. 103-7/P3K/WIL-IV/DTK/SU/2022 with a validity period of up to August 3, 2025.

The company can show a list of the first aid kits they have that are placed in the workplace or those brought by the foreman/foreman to the field at the Estate and Mill. The number of first aid kits owned by the company are:

- Pangkatan Estate is 50 First Aid Boxes.
- Pangkatan Mill is 10 First Aid Boxes
- Bilah Estate totaling 46 First Aid Boxes
- Sennah Estate a total of 30 first aid kits

Based on the results of field observations in the Estate and Mill areas, it is known that the first aid kit is complete with a total of 21 items in accordance with the regulations and the contents of the first aid kit can be used at any time and First aid kit is available at work. In addition, based on verification, the number of first aid kits owned by the company complies with the provisions of the Minister of Manpower and Transmigration Regulation Number 15 of 2008.

The company can also show a record of work accidents listed in the P2K3 Quarterly reports which are reported regularly to the relevant agencies. The report describes the number of work accident cases, the action plan carried out, current status, the person in charge and the target time. In addition, the company can show evidence of investigations into work accidents, for example:

Work Accident on September 19, 2022 as a result of being hit by FFB which bounced which resulted in broken bones and has been referred to the Labuhanbatu Selatan District General Hospital. Work accident case report stage II BPJS Employment and work accident case report stage II on September 19, 2022. All company obligations have been fulfilled by the company.

Based on the results of field observations in the Estate and Mill areas, it is known that the company has installed OHS symbols, has Fire extinguisher, installed MSDS, and has Hydrant in strategic locations according to the level of danger. (OFI). During the audit process the auditor team assessed that the company was encouraged to improve performance such as:

- More informative OHS information/symbol boards are not limited to symbols only
- MSDS is placed in a place that is easy to read (not too high)
- SOP / Policy in a more informative form that attracts the attention of employees
- Fire extinguisher and Hydrant Hoses are placed in a more accessible place.

### 6.7.3

From the auditor's observations during audit activities, it was concluded that each worker was provided with PPE in accordance with the results of the identification of hazard sources and risk control carried out by the company's P2K3 secretary.

Based on the results of interviews with harvest, spray and manual maintenance workers at the Estate and operators at POM, it is known that every employee has used PPE according to their respective jobs and PPE is provided by the company for free and can be replaced if the PPE is damaged. In addition, the PPE provided is free of charge and all PPE is provided by the company

From observations made to rinse houses in Pangkatan Estate, Bilah Estate, and Sennah Estate, it is known that sanitation facilities for spray workers are available such as bathing, changing clothes and others. Wastewater from the rinse is accommodated in a permanent place to prevent contamination of water sources or soil bodies.

The Auditor Team has also verified OFI on a previous assessment related to the condition of the PPE of several employees at the Mill in a damaged condition. The results of the verification of the company's auditors have replaced PPE in the form of Safety Shoes for workers at the Sorting, Boiling, Tippler, Kernel, and Press stations. This is also in accordance with the results of interviews with workers at the station, it is known that the company replaces PPE for safety shoes once a year and is given free of charge. If there is damage, workers can report to their superiors by bringing damaged shoes and the company will replace them for free.

### 6.7.4

The certification unit has shown participation and letter of payment for Employment Assurance:

- a. Letter of payment for Employment Assurance for 533 employees of PT Bilah Plantindo for the period of September 2022 which was paid on October 6<sup>th</sup>, 2022.
- b. Letter of payment for Employment Assurance for 433 employees of PT Pangkatan Indonesia for the period of September 2022 which was paid on October 6<sup>th</sup>, 2022.
- c. Letter of payment for Employment Assurance for 280 employees of PT Sembada Sennah Maju for the period of September 2022 which was paid on October 6<sup>th</sup>, 2022.
- d. Letter of payment for Employment Assurance for 96 employees of PT Pangkatan Indonesia - Mill for the period of September 2022 which was paid on October 6<sup>th</sup>, 2022.

In addition, there is proof of membership and letter of payment of the following Health Assurance:

- a. Proof of payment of PT Bilah Plantindo Health Assurance for the period September 2022 to 530 workers on September 7, 2022. There are 3 employees with Contribution Assistance (*PBI*) status.
- b. Proof of payment of PT Sembada Sennah Maju Health Assurance for the period October 2022 to 280 workers on October 6, 2022.
- c. Proof of payment of PT Pangkatan Indonesia Health Assurance for the period September 2022 to 532 workers on September 9, 2022. There are 3 employees with Contribution Assistance (*PBI*) status.

Based on field observations and interviews with estate and mill employees, known that the certification unit has included all employees in the Health Assurance and Employment Assurance. Further explained that employees can use Health Assurance outside the certification unit's health facilities.

### 6.7.5

Companies can show a work accident record using the Lost Time Accident (LTA). The calculation of work accidents using LTA until September 2022 is as follows:

- Pangkatan Mill: FR 7.46 and SR 5.77
- Pangkatan Estate: FR 6.78 and SR 20.94
- Bilah Estate: FR 2.74 and SR 2.98

- Sennah Estate: FR 12.46 and SR 17.73

The reference for calculating FR and SR include working hours, number of employees, work accident cases, and lost working days.

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 integrated pest control plan is contained in the annual budget document which refers to the procedures in place, including:

- Carry out detection, census and monitoring of pest attacks of rats and leaf-eating caterpillars periodically in accordance with procedures.
- Carrying out biological pest control by using owls to control the population of rats and planting beneficial plants as habitats for predators of leaf-eating caterpillars.

Based on information from the estate manager and document review, it was found that the potential pests were leaf-eating caterpillars and rats, but based on early observations it was concluded that the pest attack was still below the threshold set.

Identification of potential pests listed in the Pest and Disease control SOP. Types of pests identified that can cause potential include UPDKS and Rats.

The company also controls caterpillar pests by planting and maintaining natural enemies of caterpillar, such as *Turnera subulata*. The company can show the record of the development of the beneficial plant.

Based on the monitoring document of owl cages, it is known that the company has used *Tyto alba* as a biological pest control method with a total of 96 gupons. The results of field visits, for example in Block K1 Division 3, found that the owl cages were in good condition and active.

The company has identified plant-disturbing organisms such as rats and caterpillars that eat oil palm leaves. Companies can show documentation of early detection systems against pest attacks, for example as follows:

- Based on the recording of the rat pest census, for example, in the period of July 5, 2022, it was known that there were attacks by rats with an attack criteria of 3.39%. The results of field visits, for example, the M3 Division 3 block, did not find any signs of rat pest attack. (Pangkalan Estate).
- Based on the recording of the rat pest census, for example, in the period of September 13, 2022, it was known that there was an attack of rat pests with an attack criteria of 3.04%. The results of field visits, for example, block E56 Division 2, did not find any signs of rat infestation. (Bilah Estate).
- Based on the recording of the rat pest census, for example, in the period of September 3, 2022, it is known that there was an attack of rat pests with an attack criteria of 3.20%. The results of field visits, for example, Block D05 Division 1, did not find signs of rat infestation. (Sennah Estate).

Based on the results of field visits, for example to Block K1 Division 3, it was found that there was no indication of rat infestation on plants. This is in accordance with the recording of the rat pest census conducted by the company where the rat pest attack is still below the threshold.

#### 7.1.2

Verification of documents and interviews with management the Pangkatan, Bilah and Sennah Estate as well as field observations in the estates found that no species were referenced in the global database and CABI.org and environmental and forestry Ministerial Decree no. P94/MENLHK/SEKJEN/KUM.1/12/2016 regarding the type of invasive used by the unit of certification. Furthermore, based on document review, field observations, as well as interviews with workers and external stakeholders, it is known that the company does not use fire for pest control.



**7.1.3**

Based on the review of pest control documents, pest control procedures owned by the company, as well as interviews with workers in the field during the assessment activities, it is known that the company does not use fire in pest control

Status: Comply

**7.2**

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

**7.2.1**

The company has a safety policy on the use of chemicals that are listed in the procedures for managing hazardous materials, hazardous waste and procedures for controlling weeds, pests and diseases. The procedure explains the use of PPE for employees and the management of used pesticide containers.

The company has shown a list of pesticides used by the company during the 2022 period. The types of pesticides used are as follows:

Merk	Active ingredients	Target
Dipel SC	<i>Bacillus thuringiensis</i>	Caterpillar control
Matador 25 EC	<i>Lambda cyhalothrin</i>	Caterpillar control
Prima Jos 865 SL	<i>2,4-D dimethylammonium</i>	Control broadleaf, narrow and cone weeds
Meta Prima	<i>Metsulfuron methyl</i>	Broadleaf weed, Ageratum conyzoides, Borreria alata, Crassocephalum crepidioides, Cleome rutidosperma
Prima Up	<i>Glyphosate isopropyl</i>	Broadleaf weed, Borreria alata Mikania micrantha, grass group, Ottochloa nodosa Paspalum conjugatum
Cypertop	<i>Cypermethrin</i>	Caterpillar control
Becano	<i>Indaziplam</i>	Control of weed seeds
Starane	<i>Fluroxypyr methyl ester</i>	Broadleaf weed, Cromolaena odorata, Cliderrhina hirta, Mikania micrantha Melastoma Malabathricum
Antracol	<i>Propineb</i>	Pest protection on crops

The company has guidelines for the use of pesticides which are documented in the appendix to the List of Pesticides Used. In the document there are several guidelines, namely how to choose selectively, store, use, deal with contamination, understand the signs and symptoms of pesticide poisoning, instructions for first aid and instructions for medical treatment for poisoning.

Based on field visits and interviews with spray workers in Pangkatan Estate, Bilah Estate, and Sennah Estate, it was concluded that workers knew about the function of chemicals used and were selective when spraying activities, for example glyphosate was used to spray circles and paths only while weeds in the dead goal is not sprayed.

**7.2.2**

The certification unit has SOPs and work instructions for weed management, guidelines covering selection, storage, application, handling of contamination, knowing the signs and symptoms of pesticide poisoning and first aid for poisoning cases. To ensure that the pesticides used are in accordance with the target, the unit of certification identifies the types of weeds found in the operational area.

The unit of certification has documented pesticide toxicity records in the Monthly Pesticide Toxicity Data document. The document records the product name, active ingredient, LD50, area treated, amount of active ingredient applied per Ha, and total application. This document is continuously recorded and updated by the Estate Sustainability Officer on a monthly basis.

Merk	Active ingredients	License number	Validity period	Utilization
Becano 500 SC	<i>indaziplam</i>	RI 0103012014279	14 January 2027	Spraying Selective, Circle Spraying
Chepate 75 SP	<i>Achepate</i>	RI 01010120083032	02 February 2023	Spraying Selective,

				Circle Spraying
Rollup 480 SL	<i>isopropil amina gliposate</i>	RI 010030120042133	3 September 2023	Weeding Selective

Based on the review of the document, it is known that the company has used registered pesticides and there is no limited use of pesticides.

**7.2.3**  
The IPM plans that have been implemented include planting beneficial plants as a perch for predators of caterpillars that eat oil palm leaves and developing owl populations as natural enemies of rats. In addition, the company has also carried out routine early detection which is listed in the monthly early warning system report.

Based on the pesticide use data shown, the use of pesticides for pests has been minimized because the application will only be carried out if the census results are above the control threshold. The unit of certification does not use pesticides prophylactically. If the conditions of the ring and harvest path are still quite standard, weed control will be postponed. Based on observations on spraying activities, the application method is not a preventive application, but is selective for locations that have weeds. The circle and lane spraying are carried out by the certification unit three times a year using selective pesticides. Field observations in Block F3 Pangkatan Estate, Block E56 Bilah Estate and Block D05 Sennah Estate were known if workers already know how to selectively spray, for example only spraying circles or paths that have weeds and if there are no weeds no spraying, then Based on document review, field observations, as well as stakeholder consultation, knowing that the company does not apply pesticides from the air.

**7.2.4**  
There is no prophylactic method in the use of pesticides by the company. The company only controls using pesticides if the pest attack census shows results above the threshold. Field observations in Block F3 Pangkatan Estate, Blok E56 Bilah Estate and Block D05 Sennah Estate were found out if workers already know how to selectively spray, for example only spraying circles or paths with weeds and if there are no weeds no spraying, then Based on document review, field observations, as well as stakeholder consultation, knowing that the company does not apply pesticides from the air.

**7.2.5**  
The company uses chemicals that are registered and authorized by the Government as [www.pesticide.id](http://www.pesticide.id). Based on document verification, field visits to pesticide storage places and interviews with management and pesticide applicators, information is obtained if the company does not use pesticides prohibited by the government as stated in Attachment II to Regulation of the Minister of Agriculture Number 39 of 2015 concerning Pesticide Registration. Based on the list of pesticides used in 2021 - 2022 the company does not have any pesticides listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, and paraquat.

**7.2.6**  
Based on field observations, interviews with workers Field observations in Block F3 Pangkatan Estate, Block E56 Bilah Estate and Blok D05 Sennah Estate as well as interviews with management, the unit of certification can be presented that pesticide application is carried out by trained people and in accordance with applicable guidelines on product labels. and storage, as evidenced by:

- Workers are equipped with PPE such as shoes, helmets equipped with face shields, aprons, shirts and trousers, masks and nitrile gloves. The type of PPE is in accordance with the MSDS recommendations for Glyphosate and methyl metsulfuron.
- Workers are able to explain and demonstrate work according to procedures, such as justifying pesticide use, considering wind flow when spraying, mixing pesticides, pesticides and their targets, restricted areas for spraying (eg HCV and riparian areas). area)
- The pesticide solution is mixed in the pesticide warehouse and transported by special vehicles for safety aspects and to reduce environmental pollution.
- Regarding food brought to the field, the management unit has been provided with a special box to minimize the risk of negative impacts
- Spraying activities are carried out selectively with a knapsack sprayer whose nozzle is calibrated periodically. After work, the knapsack sprayer and PPE are stored in a special warehouse at the Estate.
- Minutes of pesticide handling training conducted on September 29, 2022 which was attended by 15 spray workers. (Pangkalan Estate)
- Minutes of pesticide handling training conducted on March 24, 2022, which was attended by 48 workers. (Bilah Estate)

- Minutes of pesticide handling training conducted on March 23, 2022, which was attended by 20 workers. (Sennah Estate).

### 7.2.7

The results of field visits to the chemical warehouses of Pangkatan Estate, Bilah Estate, and Sennah Estate revealed that all pesticides stored were in accordance with the best practices, pesticide storage was adjusted according to type, liquid pesticides were stored at the bottom, each pesticide was stored according to its group.

### 7.2.8

The company already has SOPs for hazardous waste management for each units. The procedure explains how to control hazardous waste, including hazardous waste storage and documentation so that it is in accordance with the provisions and does not cause environmental pollution as well as responsible officers. It is also explained in the procedure that the types of hazardous waste in plantations and factories include:

- Waste from the use of hazardous and toxic chemicals such as pesticides and herbicides
- Used light bulbs that contain mercury
- Waste from the use of oil
- Waste from battery use
- Waste from used vehicle filters
- Oil wiping cloth
- Waste of chemical containers or packaging
- All chemicals found in plantation and mill activities

Furthermore, on page 2 in section 3.4.5 it is explained that the container or place for pesticides and herbicides after use must first be washed thoroughly by rinsing at least 3 times and the packaging is perforated before entering the hazardous waste warehouse. The water used for hazardous waste washing is accommodated for reuse

The company also has a special procedure for managing medical waste, namely SOP number BP/SOP/K3-09, regarding the management of Polyclinic Waste, namely waste in the form of chemicals and drugs, gauze, bandages, cotton, syringes, medicine bottles, solution wound washes, blood or non-chemical liquid solutions. As well as Work Instructions related to each waste management and technical in the delivery of hazardous waste from the transit warehouse to the main warehouse.

Based on the results of the document review, the company has handed over hazardous waste including pesticide containers to a licensed transporter, namely PT Wira Gemilang Anugrah on July 8, 2022

PT Wira Gemilang Anugrah already has a permit for the transportation of hazardous waste, including:

- Decree of the Director General of Land Transportation Number: SK.00540/A.J.309/1/DJPD/2018 concerning Permits for the Implementation of Special Goods Transportation for Transporting Dangerous Goods which was stipulated on August 24, 2025 and is valid for 5 years
- Recommendation for the transportation of hazardous waste Number S.339/VPLB3/PPLB3/PLB.3/4/2017 dated 17 April 2017 and is valid for 5 years. Some of the hazardous waste that are permitted to be transported include used oil, used batteries, used light bulbs, used rags, used filters, and other hazardous waste.
- Hazardous waste Transport Operation Permit Supervision Card Number SK.00540/AJ.309/1/DJPD/2018/100002282-000005 for vehicle number BK 9372 CY and valid until February 14, 2023.

### 7.2.9

The results of document review and interviews with management revealed that the company does not apply pesticides by air.

### 7.2.10

The certification unit has conducted a special medical check up (cholinesterase) for chemical operators and is carried out annually by an accredited certification unit clinic. The 2022 inspection has been carried out based on the report in October 2022. The results of the health check are informed to workers and all pesticide operators are in good health (normal results). In addition, based on interviews with workers, it is known that they have never had a work accident caused by chemicals such as irritants.

### 7.2.11

Based on verification of the list of pesticide applicator in each unit revealed that all pesticide applicators were male. Based on field observations and interviews with pesticide applicators in each unit are known that there are no pesticide applicators with medical limitations

Status: Comply

### 7.3

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

#### 7.3.1, 7.3.2

The company already has SOPs for hazardous waste management for each units. The procedure explains how to control hazardous waste, including hazardous waste storage and documentation so that it is in accordance with the provisions and does not cause environmental pollution as well as responsible officers. It is also explained in the procedure that the types of hazardous waste in plantations and factories include:

- Waste from the use of hazardous and toxic chemicals such as pesticides and herbicides
- Used light bulbs that contain mercury
- Waste from the use of oil
- Waste from battery use
- Waste from used vehicle filters
- Oil wiping cloth
- Waste of chemical containers or packaging
- All chemicals found in plantation and mill activities

Furthermore, on page 2 in section 3.4.5 it is explained that the container or place for pesticides and herbicides after use must first be washed thoroughly by rinsing at least 3 times and the packaging is perforated before entering the hazardous waste warehouse. The water used for hazardous waste washing is accommodated for reuse

The company also has a special procedure for managing Medical Waste, namely SOP number BP/SOP/K3-09, regarding the management of Polyclinic Waste, namely waste in the form of chemicals and drugs, gauze, bandages, cotton, syringes, medicine bottles, solution wound washes, blood or non-chemical liquid solutions. As well as Work Instructions related to each waste management and technical in the delivery of hazardous waste from the transit warehouse to the main warehouse.

Based on the results of the document review, the company has handed over hazardous waste including pesticide containers to a licensed transporter, namely PT Wira Gemilang Anugrah on July 8, 2022

PT Wira Gemilang Anugrah already has a permit for the transportation of hazardous waste, including:

- Decree of the Director General of Land Transportation Number: SK.00540/A.J.309/1/DJPD/2018 concerning Permits for the Implementation of Special Goods Transportation for Transporting Dangerous Goods which was stipulated on August 24, 2025 and is valid for 5 years
- Recommendation for the transportation of hazardous waste Number S.339/VPLB3/PPLB3/PLB.3/4/2017 dated 17 April 2017 and is valid for 5 years. Some of the hazardous waste that are permitted to be transported include used oil, used batteries, used light bulbs, used rags, used filters, and other hazardous waste.
- Hazardous waste Transport Operation Permit Supervision Card Number SK.00540/AJ.309/1/DJPD/2018/100002282-000005 for vehicle number BK 9372 CY and valid until February 14, 2023.

#### LIQUID WASTE:

The company can show the results of measuring the quality of liquid waste that is applied to the land, namely the results of testing liquid waste for the period January - September 2022 and the RKL-RPL Report for the first semester of 2022. The test is carried out by a KAN accredited laboratory (LP-364-IDN) with using quality standards that refer to the Decree of the State Minister of the Environment Number 28 of 2003.

From the results of the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards.

The following is a summary of the tests for the utilization of wastewater applied to the soil for the period January – September 2022:

Period	Quality Standards		Parameter	
	pH	BOD	pH	BOD
January	6-9	<5000	7.66	3,890
February	6-9	<5000	7.82	3,780
March	6-9	<5000	7.16	3,360
April	6-9	<5000	7.12	3,480
May	6-9	<5000	7.24	3,210
June	6-9	<5000	7.64	4,060
July	6-9	<5000	8.11	3,820
August	6-9	<5000	7.40	4,220
September	6-9	<5000	7.69	4,580

From the results of interviews with the Environmental Service regarding the management of liquid waste at WWTPs, there were no issues related to environmental pollution, the results of interviews with people from villages around the company also stated that there was no pollution from liquid waste produced by the company.

The company has also reported liquid waste management to the relevant agencies, for example on August 5, 2022, the report on liquid waste management for the second quarter of 2022 to the Sumatera Utara Province Environmental Service.

Based on this explanation, it can be concluded that the company has complied with the quality standards of wastewater discharged and/or utilized according to the quality standards of waste water disposal and/or utilization and has not caused pollution to the environment.

#### **SOLID WASTE AND LIQUID WASTE:**

PT Pangkatan Indonesia

The company has utilized the waste as outlined in the following table:

Period (2022)	Shell	Fiber	Liquid Waste	EFB Compost Application
January	545.91	1870.98	4.829	3,124.91
February	559.74	1900.09	4.490	2,288.18
March	819.87	2634.98	4.403	2,608.88
April	786.51	2676.8	4.355	3,006.88
May	796.51	2243.08	3.107	2,351.22
June	923.11	2632.14	4.707	3,547.81
July	850.31	2429.87	4.728	3,004.01
August	912.89	3196.65	4.973	3,159.38
September	850.48	3225.04	6.478	3,124.91

From the table, the company has recorded the waste used for the period January 2022 – September 2022

From the results of interviews and document verification, it shows that all solid waste in the form of shells and fiber is used to substitute diesel as fuel for boilers and the resulting empty fruit bunch is applied to the plantations of the group company. The company also utilizes liquid waste which is used to substitute fertilizer for land through Land Application. All of these wastes are utilized and recorded usage data in detail and traceable.

Based on this explanation, the company has Plantation Business Actor that has implemented waste utilization and evidence of implementation of solid and liquid waste utilization, including efforts to ensure that there is no negative impact on workers and the community.

**PT Bilah Plantindo**

The company has utilized solid waste with the application of composting produced from PT Pangkatan Indonesia. The data on the utilization of solid waste is outlined in the following table:

Period	Efb Compost Application	
	Kg	Ha
January	422,560	160.0
February	380,370	187.0
March	427,550	62.9
April	761,680	112.0
May	706,230	103.9
June	1,064,580	156.6
July	904,020	132.9
August	719,290	105.8
September	1,129,920	166.2

From the table, the company has recorded the waste used for the period January 2022 – September 2022

Based on this explanation, the company has implemented waste utilization and evidence of implementation of solid and liquid waste utilization, including efforts to ensure that there is no negative impact on workers and the community.

#### **PT Sembada Sennah Maju**

The company has utilized solid waste with the application of composting produced from PT Pangkatan Indonesia. The data on the utilization of solid waste is outlined in the following table:

Period 2022	Composting Application	
	Kg	Ha
January	895,050	135.21
February	552,000	81.25
March	607,870	82.09
April	1,015,970	137.18
May	630,780	96.75
June	1,135,150	169.44
July	975,750	159.96
August	754,130	114.44
September	1,113,950	198.46

From the table, the company has recorded the waste used for the period January 2022 – September 2022

Based on this explanation, the company has implemented waste utilization and evidence of implementation of solid and liquid waste utilization, including efforts to ensure that there is no negative impact on workers and the community.

Based on the results of interviews and verification of documents related to OFI in the assessment on ASA-1.3 & ASA-1.4, the contractor's hazardous waste has been transported. In addition, the company has conducted socialization to contractors regarding hazardous waste management to contractors on 29 June 2022 by S&C head assistant for all hazardous waste placed in temporary storage.

#### **7.3.3**

The company does not burn waste but it is managed according to the SOP owned by the company in accordance with the explanation in indicator 7.3.2

Status: Comply

#### **7.4**

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

#### **7.4.1**



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

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

These procedures establish a set of strategies to maintain and improve long-term fertility, by combining efficient and scalable organic fertilization, taking into account oil palm age and soil nutrient properties by conducting leaf and soil sampling. Efficient and moderate organic fertilization is very important to maintain soil structure and texture, combined with fertilization with POME land application and EFB mulch application. Fertilization is carried out mainly in the interior with low nutrient properties, to improve soil structure and texture, microbiological properties, and minimize inorganic fertilization if possible. There is a defined replanting activity procedure that the biomass in replanting will return to the soil for the nutrient cycle strategy.

The implementation and monitoring of SOPs can be seen from the monitoring of fertilization work by each division, while the monitoring of fertilization performance results is carried out by the agronomy quality control section.

#### 7.4.2

The company has shown a recapitulation of the results of leaf analysis and soil analysis results, namely:

##### Pangkatan Estate

- Soil Analysis Number 98533/DMBPAP dated September 23, 2022 issued by Sucofindo for a total of 4 samples. The parameters analyzed were N, Pb, P, Cd, Cu, Zn, pH, C-Organic, Fe, Al, Mn, Ca, Mg, and K.
- Leaf Analysis Number 016/RD/EXT/L/Feb/2022 dated 12 February 2022 published by PT Nusa Pusaka Kencana Analytical & QC Laboratory for a total of 8 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn, Mn, Fe, S and Cl.

##### Bilah Estate

- Soil Analysis Number 98282/DMBPAP dated 22 September 2022 issued by Sucofindo for a total of 4 samples. The parameters analyzed were N, Pb, P, Cd, Cu, Zn, pH, C-Organic, Fe, Al, Mn, Ca, Mg, and K.
- Leaf Analysis Number 136/RD/EXT/L/JUL/2022 dated 20 July 2022 published by PT Nusa Pusaka Kencana Analytical & QC Laboratory for a total of 68 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn, Mn, Fe, S and Cl.

##### Sennah Estate

- Soil Analysis Number 48703/DMBPAO dated December 1, 2021, issued by Sucofindo for a total of 3 samples. The parameters analyzed were N, Pb, P, Cd, Cu, Zn, pH, C-Organic, Fe, Al, Mn, Ca, Mg, and K.
- Leaf Analysis Number 154/RD/EXT/L/JUL/2021 dated 03 July 2022 published by PT Nusa Pusaka Kencana Analytical & QC Laboratory for a total of 42 samples. The parameters analyzed include Ash, N, P, K, Mg, Ca, B, Cu, Zn, Mn, Fe, S and Cl.

The results of the laboratory analysis are used as a consideration in calculating the annual fertilizer recommendation.

#### 7.4.3

The company's recycling strategy is to use EFB and liquid waste as fertilizer.

Applications Empty length June 2022 : 28,219 tons

Utilization data for Land Application September 2022 is 19,473 M3.

#### 7.4.4

The unit of certification shows fertilizer application records for the period January to September 2022. For example, a summary of fertilizer applications in 2022:

##### Pangkatan Estate

No	Fertilizer Type	Recommendation	Realization
		Kg	Kg
1	Borate	20.37	20.38
2	Kieserite	119.78	119.60
3	MOP	437.98	437.95

4	RP	183.37	183.40
5	Urea 1	276.85	277

**Bilah Estate**

No	Fertilizer Type	Recommendation	Realization
		Kg	Kg
1	Borate	21.05	21.05
2	Kieserite	71.94	71.94
3	MOP	507.60	507.60
4	RP	418.90	418.90
5	Dolomite	138.81	138.63
6	Urea 1	266.14	266.14

**Sennah Estate**

No	Fertilizer Type	Recommendation	Realization
		Kg	Kg
1	Borate	18.37	18.37
2	Kieserite	72.23	72.23
3	MOP	339.84	339.78
4	RP	268.39	268.40
5	Urea 1	193.40	193.40

Based on the table above, it is known that fertilization has been well recorded by the manager. Based on document review and interviews with staff, fertilization realization in each Estate reached 100% and the fertilization that has been done is in accordance with the recommendations set by the company.

**Status: Comply**

**7.5**
**Practices minimize and control erosion and degradation of soils.**
**7.5.1**

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

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

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

- Bilah Estate Slope Map

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

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

- Sennah Estate Slope Map

Class	Slope (Degree)	Hectare	Percentage
Flat	0 – 2	1.479,22	81,70
Undulating	2 – 6	331,31	18,30
Total		1.810,53	100

### 7.5.2

Based on field observations at the Pangkatan Estate, Bilah Estate and Sennah Estate, it was found that the areas were relatively flat and there were no contoured terraces, but individual terraces in certain areas. Specific slope management includes found EFB application, forward stacking using a U-shape system, and selective weeding in between. Oil palm plantations in the operational area are the first cycle of Pangkatan and Bilah Estate, there are no new plantings, only replanting activities in the Bilah plantations. The results of field observations in the Replanting area of Blocks F4-F5 of the Bilah Estate, it is known that replanting activities are not carried out in areas with steep slopes.

### 7.5.3

Based on field observations at Pangkatan Estate, Bilah Estate and Sennah Estate, it is known that the area is relatively flat and there are no contoured terraces, but individual terraces in certain areas. Specific slope management includes found EFB application, forward stacking using a U-shape system, and selective weeding in between. Oil palm plantations in the operational area are the first cycle of Pangkatan and Bilah Estate, there are no new plantings, only replanting activities in the Bilah plantations. The results of field observations in the Replanting area of Blocks F4-F5 of the Bilah Estate, it is known that replanting activities are not carried out in areas with steep slopes.

Status: Comply

## 7.6

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

### 7.6.1

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

### 7.6.2

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

### 7.6.3

The existence of a land map that contains information on soil classification, texture, drainage, limiting factors, rocks, and information on suitability for oil palm plantation development has helped companies that are used by companies to arrange blocks, roads, drainage, bridges, etc. The Company also has a Road Maintenance Program which is equipped with adequate facilities and infrastructure to carry out the work. Based on the results of the field visits, the roads are in good condition and the harvested FFB can be transported smoothly to the mills. The oil palm plantations in the operational area are the first cycle of the Pangkatan Estate and the Sennah Estate, there are no new plantings, only replanting activities in the Bilah Estate.

Status: Comply

## 7.7

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

### 7.7.1

Based on document verification, it is known that the company is not clearing new land but replanting activities in the Bilah Estate. The results of the field visit in Blocks F4-F5 of the Bilah Estate revealed that replanting activities were not carried out on peatlands.

### 7.7.2

Based on the Peat Inventory document, PT MP Evan has peatland located on the Bilah Estate covering an area of 821.66 hectares and it was reported to the last RSPO on 18 September 2020. However, at the time of the audit, there was no new planting on peat since 2018. Based on document verification, it is known that the peat inventory has been reported to the RSPO on 18 September

2020 and the reported peat area is in accordance with the actual conditions in the field.

### 7.7.3

The company shows records of the arrangement for subsidence of high peat soil layers, including the following:

Based on the monitoring results of peat soil subsidence on September 30, 2022, it is known that the subsidence stake for Division III for Block D11 has decreased by 0.1 cm, Block B06 has not decreased and Block D10 has not decreased.

Based on the results of interviews with water management officers, it is known that these personnel understand and can explain the mechanism for regulating peat subsidence.

### 7.7.4

The company shows records of water and land cover management programs, including the following:

- **Surface Water Level**  
Based on the results of monitoring the surface water level for the period of June 2022, it is known that the average condition of the water level is in the range of 40-55 cm. Based on the results of field visits in Blocks B10 and B11 Division 3 of the peat area, it is known that the surface water level is 50 cm.
- **Groundwater Level**  
Based on the results of monitoring groundwater levels for the period of June 2022, it is known that the average water level is in the range of 50-60 cm. The results of field visits in Blocks B10 and B11 Division 3 revealed that the surface water level was 60 cm.
- **Peat subsidence**  
Based on the monitoring results of peat soil subsidence on September 30, 2022, it is known that the subsidence stake for Division III for Block D11 has decreased by 0.1 cm, Block B06 has not decreased and Block D10 has not decreased

Based on the results of interviews with water management officers, it is known that these personnel understand and can explain the mechanism for regulating peat subsidence.

Based on the description above, it can be concluded that the company has made arrangements for subsidence of high peat soil layers.

### 7.7.5

Based on the results of interviews with management and review of documents regarding the replanting plan, there will be no replanting activities on peatlands for the next 5 years. Peatlands are only in the Bilah Estate.

### 7.7.6

The company has procedures or work instructions for planting on peat in the Peatland Management Procedure Document (AGR-SOP16-01 dated October 1, 2019). However, in this procedure there is no guideline for installing/placing subsidence piles as a measurement tool for peat soil subsidence, which refers to the "RSPO Peatland Working Group meeting on 13-14 September 2018 to clarify potential audit guidance for Criteria 7.7 (as adopted by GA)". Where, the company must have 1 subsidence marker in every 240 ha of peat area. For peat areas with more than 5000 ha, the number of stakes can be deducted from this requirement if the company has justification. Based on field observations, it is known that the company has 3 land subsidence markers in the Bilah Estate (821.66 hectares of peat area), while the piezometer is 46 units. The results of field observations are known that the company has a piezometer, the measurements are carried out every month.

### 7.7.7

Based on the results of document verification, information was obtained that the peat area is in the Bilah Estate area which is a planting area, based on the HCV area identification document there is no peat area classified as HCV peat conservation, only the HCV numbers for riverbanks and graves.

Status: Comply

## 7.8

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

### 7.8.1

PT Pangkatan Indonesia

The company can show documents for the management and maintenance of water sources carried out in the 2022 period. From the documents shown, it is known that several activities have been carried out by the management unit to manage water and maintain water sources, including:

- Conduct periodic monitoring of surface water quality in the Upstream and Downstream of the river which is carried out every 6 months.
- Determination of buffer zone for river border area.
- Installation and maintenance of warnings/signboards and boundary markers in river border areas carried out on March 30, 2022
- Area security and protection by means of daily security patrols.
- Marking a buffer zone 50 meters from the banks of the Kundur River in Division IV Pangkatan Estate
- Perform manual maintenance without spraying herbicides and pesticides 50 meters from the banks of the Kundur River
- Planting of trees on the riverbank to be carried out in August 2022

Based on field observations through the Kundur River border area, it can be seen that the company has carried out management of the river border by installing signboards as HCV areas and painting on oil palm trees as spray boundaries. The company has also conducted surface water testing in collaboration with the KAN Accredited Laboratory (LP-364-IDN) every 6 months. The test was carried out with several aspects, namely physics, inorganic chemistry, organic chemistry and microbiology.

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From the results of the verification of the test results document, it can be concluded that there is no test result value that is not in accordance with the quality standard used, namely PP 22 of 2021. In addition, the company has also implemented management and maintenance of water sources and quality in accordance with its SOP. This is evidenced by the fact that there are no traces of chemical and fertilizer applications on the river border. The results of interviews with fertilizer workers revealed that the workers already knew that the river border area should not be subjected to chemical applications.

#### **PT Bilah Plantindo**

The company already has a water management document by monitoring water quality which is carried out every 6 months by a KAN accredited Laboratory (LP-364-IDN) on 07 to 15 June 2022. The monitoring locations are in the Upstream and Downstream of the River, the sample points are divided into 2 river points for the entire scope of the company's operational areas, namely the Sungai Bilah Hulu and Sungai Bilal Hilir. Currently the company is testing surface water using quality standards that refer to Government Regulation no. 22 of 2021 The results of the test will then be reported to the relevant Office through the RKL-RPL Report every 6 months.

From the results of the verification of the test results document, it can be concluded that there is no test result value that is not in accordance with the quality standard used, namely PP 22 of 2021. In addition, the company has also implemented management and maintenance of water sources and quality in accordance with its SOP. This is evidenced by the fact that there are no traces of chemical and fertilizer applications on the river border. The results of interviews with fertilizer workers revealed that the workers already knew that the river border area should not be subjected to chemical applications.

#### **PT Sembada Sennah Maju**

The company already has a water management document by monitoring surface water quality which is carried out every 6 months by an accredited Laboratory of KAN (LP-364-IDN) on 07 to 15 June 2022. The monitoring locations are at the Upstream and Downstream River sample points which is divided into 2 river points for the entire scope of the company's operational areas, namely Sungai Bilah Hulu and Sungai Bilah Hilir. Currently the company is testing surface water using quality standards that refer to Government Regulation no. 22 of 2021 The results of the test will then be reported to the relevant Office through the RKL-RPL Report every 6 months.

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maintenance of water sources and quality in accordance with its SOP. This is evidenced by the fact that there are no traces of chemical and fertilizer applications on the river border. The results of interviews with fertilizer workers revealed that the workers already knew that the river border area should not be subjected to chemical applications.

Based on the results of interviews with employees in housing, that the company does not restrict the use of water.

### 7.8.2

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

- Identify buffer or riparian areas
- The buffer area is returned to its condition like a forest area, but must first obtain the approval of the GM/SM and the President Director.
- For oil palm trees marked with an "X", fertilization and other treatments are not required, saplings and shrubs are allowed to grow naturally.
- The area is given to grow as an effort to replant/restore forest and be used as a buffer area between the river and the oil palm plantation area.
- To rehabilitate the area, forest trees can be carried out.
- This rehabilitation program is a conservation effort and must be socialized to all employees, contractors and the surrounding community.

The company can show documents for the management and maintenance of water sources carried out in the 2022 period.

From the documents shown, it is known that several activities have been carried out by the management unit to manage water and maintain water sources, including:

- Conduct periodic monitoring of surface water quality in the Upstream and Downstream of the river which is carried out every 6 months.
- Determination of buffer zone for river border area.
- Installation and maintenance of warnings/signboards and boundary markers in river border areas carried out on March 30, 2022
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- Perform manual maintenance without spraying herbicides and pesticides 50 meters from the banks of the Kundur River
- Planting of trees on the riverbank to be carried out in August 2022

Based on field observations through the Kundur River border area, it can be seen that the company has managed the river border by installing signboards as HCV areas and painting on oil palm trees as spray boundaries.

### 7.8.3

The company already has a liquid waste utilization permit as stipulated in the decision of the Head of the One Stop Service Investment Office Number 503.660/153/DPMPTSP-BP2MNP/2020 on July 02, 2020 concerning Extension of the Validity Period of Permit for Utilization of Palm Oil Industry Wastewater and Composting in Palm Oil Plantation of PT Pangkatan Indonesia in Perkebunan Pangkatan Village, Pangkatan Sub District, Labuhanbatu District, Sumatera Utara Province.

The obligations of the permit that must be carried out by the company, among others:

- All wastewater originating from PT Pangkatan Indonesia must be utilized on oil palm plantations located in Division I, namely Block D = 33 Ha, Division II, namely Block U = 33 Ha and Block V = 54 Ha with a total application area of 120 hectares. Ha
- Monitoring palm oil mill wastewater before it is used for composting and leachate storage from the composting area before being distributed to the application area.
- Monitoring groundwater in monitoring wells in the application area, monitoring wells in control areas and monitoring wells for community settlements. with predetermined parameters, frequencies and analytical methods
- etc

The company has a Waste Water Treatment Plant as a form of managing liquid waste resulting from FFB processing before being discharged to land applications. The Waste Water Treatment Plant consists of:

- Pond 1 with a capacity of 21,600 m<sup>3</sup>
- Pond 3 with a capacity of 21,600 m<sup>3</sup>



- Inoculum with a capacity of 1,760 m3
- Collection Pond with a capacity of 19,200 m3
- Feeding Cooling Pond Capacity 1,632 m3

The company can show the results of measuring the quality of liquid waste that is applied to the land, namely the results of testing liquid waste for the period January - September 2022 and the RKL-RPL Report for the first semester of 2022. The test is carried out by a KAN accredited laboratory (LP-364-IDN) with using quality standards that refer to the Decree of the State Minister of the Environment Number 28 of 2003.

From the results of the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards.

The following is a summary of the tests for the utilization of wastewater applied to the soil for the period January – September 2022:

Period 2022	Quality Standards		Parameter	
	pH	Bod	pH	BOD
January	6-9	<5000	7.66	3,890
February	6-9	<5000	7.82	3,780
March	6-9	<5000	7.16	3,360
April	6-9	<5000	7.12	3,480
May	6-9	<5000	7.24	3,210
June	6-9	<5000	7.64	4,060
July	6-9	<5000	8.11	3,820
August	6-9	<5000	7.40	4,220
September	6-9	<5000	7.69	4,580

From the results of interviews with the Environmental Service regarding the management of liquid waste at WWTPs, there were no issues related to environmental pollution, the results of interviews with people from villages around the company also stated that there was no pollution from liquid waste produced by the company.

The company has also reported liquid waste management to the relevant agencies, for example on August 5, 2022, the report on liquid waste management for the second quarter of 2022 to the Sumatera Utara Province Environmental Service.

Based on this explanation, it can be concluded that the company has complied with the quality standards of wastewater discharged and/or utilized in accordance with the quality standards of waste water disposal and/or utilization and has not caused pollution to the environment.

#### 7.8.4

The company already has a water use permit as stated in the Decree of the Governor of Sumatera Utara Number 610/470/DISPMPPTSP/6/XI.1/III/2018 concerning Water Resources Concession Permit which was stipulated on March 26, 2018.

The company records water use for the period January – October 2022, namely:

Period 2022	Water used (M3)
January	9,936
February	9,292
March	12,610
April	13,170
May	11,985
June	13,638
July	14,225
August	18,198
September	16,706
January	9,936

Based on the table, the company has recorded water use and has complied with the stipulated permit.

The company has paid the surface water tax which is utilized for example in the July 2022 period which was paid to the Regional Revenue Agency of the Labuhanbatu District Government on 08 August 2022.

Status: Comply

## 7.9

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

### 7.9.1

The company has made improvements to the efficiency of the use of fossil fuels, as for the data shown for the period October 2021 – September 2022:

FFB Processed (Tons)	220,119.29
Shell Usage	9,075.53
Use of Fiber	29,600.53
Solar Usage	161,490
KWH turbine produced	3,402,761
KWH generator used	405,756
Energy generated from the use of shells and fiber (Kcal)	104,339.22
Energy generated from the use of shells and fiber (Kcal/Ton FFB)	6.02

The company can show a record of using fiber and shells as renewable energy for the period October 2021 – September 2022. FFB data processed is 220,119.20 Tons with a total utilization of 29,600.53 Kg of fiber and 9,075.53 Kg of fiber utilization. From the results of shell utilization, the turbine KWH produced is 3,402,761 KWH and the KWH Genset used is 405,756 KWH. The efficiency of using renewable energy is 6.02 KWH/Tonne FFB.

From the results of the document review when comparing the company's energy utilization data in the January and September 2021 periods, there is an increase in the efficiency of using renewable energy from 5.49 Kwh/tonne of FFB to 6.02 Kwh/tonne of FFB in the period October 2021 – September 2022.

Based on this explanation, the use of renewable energy per tonne of CPO or palm product in the mill has been monitored and reported.

Status: Comply

## 7.10

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

### 7.10.1

The company has calculated its GHG emissions for the period 2021 using the Palm GHG Calculator version 4.0. Data is compliant and verified on the RSPO PalmGHG Calculator (Palm GHG version 4.0). The summary of GHG emissions from the PalmGHG calculator is presented in the following table:

#### Summary Emission

Product	tCO <sub>2</sub> e/Product
CPO	2.67
PK	2.67
PKO	0.00
PKE	0.00

Description	Unit	Value
Oil planted on mineral soil	Ha	6144.35
Oil Palm planted area on peat	Ha	821.65
Total oil palm planted area (forested)	Ha	6966.00
Conservation area (Forested)	Ha	13.00

Conservation area (Non-Forested)	Ha	39.40
FFB Production per hectare	t/Ha	30.85
OER	%	22.62
KER	%	5.25

**Mill Emissions and Credits**

Description	tCO2
Emission Sources	
POME	28710.46
Fuel Consumption	520.11
Grid Electricity Utilisation	197.46
Credits	
Export of Excess Electricity to Housing & Grid	0.00
Sale of PKS	0.00
Sale of EFB	0.00
<b>Total</b>	<b>29428.03</b>

**Estate/Plantation fields emissions and sinks**

Description	tco2e		
	Own	Group	3 <sup>rd</sup> Party
<b>Emission Source</b>			
Land Conversion	68652.45	0.00	0.00
CO2 Emissions from Fertilizer	6052.60	0.00	0.00
N2O Emissions from Peat	6150.67	0.00	0.00
N2O Emissions from Fertilizer	5297.06	0.00	0.00
Fuel Consumption	1285.10	0.00	0.00
Peat Oxidation	44862.09	0.00	0.00
<b>Sinks</b>			
Crop Sequestration	-62835.94	0.00	0.00
Sequestration in Conservation Area	-119.21	0.00	0.00
<b>Total</b>	<b>69344.82</b>	<b>0.00</b>	<b>0.00</b>

**Emissions from Palm Kernel Crusher**

Emission Source	tco2E
PK from own mill	0.00
PK from other source	0.00
Fuel Consumption	0.00
<b>Total Crusher Emissions</b>	<b>0.00</b>

**FFB Supplier**

No.	Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB Supplied by Estate/Plantation (t)
1	Pangkalan Estate	67664.88	67664.88	100.00
2	Sennah Estate	47735.18	47735.18	100.00

3	Outgrowers	35914.02	35914.02	100.00
4	Bilah Estate	63572.06	63572.06	100.00

**Palm Oil Mill Effluent (POME) Treatment**

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

**POME Divert to Anaerobic Digestion**

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

Based on the following table, the company has calculated GHG through the Palm GHG calculator and reported it publicly.

**7.10.2**

There was no new land development during 2014. And the unit of certification did not expand/develop new plantations but only replanting activities.

The company has also made efforts to minimize emissions as stated in the SOP document related to GHG mitigation, namely the Inventory and Mitigation of Greenhouse Gas (GHG) Emissions Procedures, document number BP/SOP/General-24, Rev 00, effective from 8 February 2013, explains, among other things:

- Conservation.
- Manage areas with high conservation values in accordance with SOPs for managing and monitoring high conservation values in oil palm plantations.
- Manage riverbanks in accordance with SOPs for managing and monitoring high conservation values in oil palm plantations.
- Planting trees on river borders and critical areas.
- Integrated environmental management with plantation operations.
- Implementation of good plantation practices in accordance with the technical manual for cultivation.
- Routine and periodic maintenance of vehicles and machines.
- Periodic monitoring.
- Monitoring of river water quality in accordance with UKL/UPL document recommendations.
- Monitoring of habitat conditions in accordance with the HCV Management Plan.
- Application of waste at the plantation site in accordance with company regulations.
- Increased carbon capture and maintenance of carbon stocks (carbon stock).
- Do not spray on river border areas.

The company has a GHG mitigation plan document in the form of Identification and Mitigation of Greenhouse Gases for the 2022 period in an effort to increase the % reduction in GHG emissions. The activities for GHG mitigation include:

- Use of fiber and shells for boiler fuel instead of fossil fuels
- Application of empty leaves of space that aims to reduce the use of fertilizers
- Conduct environmental emission testing to determine repair schedule
- Prohibition of burning waste for residential areas
- Socialization of saving electricity usage
- Planting useful trees to capture carbon gas produced from factories
- Perform regular vehicle repairs and monitoring.
- Etc

**7.10.3**

The company has identified measurements of emission sources which are carried out every 6 months. From the results of the document review, all measurements of the emission sources are in accordance with the quality standards set and carried out by a KAN-accredited laboratory. The tests carried out by the company include ambient air, vibration, odor and noise tests in the work area and housing. Based on the results of the verification of the document, it shows that all test results are in accordance with the quality

standards set for each applicable law and regulation, including:

- Noise quality standard based on Ministry of Environment Decree No. 48 of 1996
- Vibration quality standard based on Ministry of Environment Decree No. 49 of 1996
- Odor quality standards are based on Ministry of Environment Decree No. 50 of 1996

Based on this explanation, the company has identified all sources of emissions that are produced and do not cause environmental pollution.

Status: Comply

### 7.11

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

#### 7.11.1

The certification unit has a no-burn policy which is contained in the SOP for non-burning operations with no. document PI/SOP/General-03 revision 00 with effective date 2 May 2011. The SOP covers all operational activities, both land clearing and other operations. And applies to the management of waste/waste without burning both in the field as well as in homes and offices. In addition, the company also has SOP No. PI/SOP/General-34 dated January 2, 2017 concerning Fire Prevention and Management where the procedure explains related to fire prevention.

Based on the verification document of PT Bilah Plantindo's area statement revealed that there is a replanting area with an area of 64 Ha in 2022 and 302 Ha in 2021. Based on field observations in Blocks F4 and F5 of Bilah Estate are known that replanting activities are carried out mechanically, in addition to that the auditors also did not find any burn marks around the replanting area. The certification unit shows the Employment Agreement No. BP/BIE/01/2022/0007-REPLANTING dated January 13, 2022 between PT Bilah Plantindo and PT Rongoh Abadi. The agreement explained that replanting activities were carried out mechanically starting from falling trees, removing roots, ripping, plowing and making planting holes with a post hole digger system.

Based on interviews with the management and the Environment Agency of Labuhanbatu District, they also stated that the certification unit is committed not to carry out burning activities for land clearing and that there have never been cases of land fires for the last 5 years. Based on field visits throughout the estate, it is known that there are no signs or evidence of land clearing by burning, all land clearing is done mechanically by the certification unit.

#### 7.11.2

The certification unit has a no-burn policy which is contained in the SOP for non-burning operations with no. document PI/SOP/General-03 revision 00 with effective date 2 May 2011. The SOP covers all operational activities, both land clearing and other operations. And applies to the management of waste/waste without burning both in the field as well as in homes and offices. In addition, the company also has SOP No. PI/SOP/General-34 dated January 2, 2017 concerning Fire Prevention and Management where the procedure explains related to fire prevention.

There are almost no fires in the area of Pangkatan POM certification unit, and in particular forest fires in the *HGU* area did not occur in the first semester of 2022. To monitor fires, a fire monitoring tower has been built in the nursery area. Fire emergency response and the *Bakortiba* Organization (Coordination Agency for Land Fire Emergency Response). Anticipation of fire emergency response in the work environment has been carried out by providing Light Fire Extinguishers (APAR) at work sites and emergency response training. Management efforts carried out by the company are directives and appeals to the community not to burn waste in residential and plantation areas, and so far, there have been no land fires. In carrying out fire prevention and control activities, the company has carried out several activities, including:

- a. Establish an emergency response structure for the certification unit's internal
- b. Fire-prone locations are marked on the map and assigned different grades and colors according to the hazard based on the level of fire hazard and limiting factors in Fire control.
- c. Conduct analysis related to the development of hotspot points from the head office, and update immediately if hotspots are identified in the company's area
- d. The field team will monitor daily vulnerability levels based on weather behavior by counting days without rain, and fuel conditions in the field.
- e. Plan and carry out fire prevention patrol whose frequency is adjusted to the daily fire hazard level and carry out patrols with a priority scale to areas with higher hazard levels

- f. Establish clear handling procedures in the context of Land Fire Control
- g. Conduct socialization by involving related parties in efforts to prevent, estate control and land fires while still paying attention to Health protocols
- h. Conduct training by involving competent parties and create applications to monitor Hotspots in the Company's area and its surroundings
- i. The certification unit has also formed a Forest and Land Fire Brigade with a total of 27 people for each estate and is equipped with a support team such as logistics, planning, heavy equipment, medical, work safety, security, public relations and others.
- j. Establish good communication and actively collect data on lands in the concession and surrounding villages that will and have the potential to clear land by burning.
- k. Socializing the dangers of forest and land fires directly and indirectly, namely through warning boards.
- l. On burnt lands adjacent to concessions, the company continues to carry out guarding activities by sending resources and equipment to prevent widespread burning.
- m. Mapping locations with demonstrable potential fires for the period 2022.

Based on the OHS Committee and environmental documents regarding fire management for the 2021-2022 period, there has never been a land fire incident during 2021. The results of the field visit also showed that socialization regarding the prohibition of burning land has been conveyed through direct socialization to employees during morning apples and symbols posted in places that are easy for everyone to read. Field observations at the fire extinguisher storage location also show that the available tools are quite complete and in good condition, this is evidenced by the simulation of water pumps and hydrants.

### 7.11.3

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

The certification unit also showed a document of Forest and land fire control training for employees of Sennah Estate and in collaboration with Manggala Agni on June 2-4, 2022, took place in the operational area of Pangkatan Estate. The certification unit can show the materials, documentation and attendance list for the event. The certification unit train the villagers around the certification unit area not to clear land by burning and immediately inform the certification unit if they know of hotspots in the certification unit area and/or in the village area around the certification unit by calling the certification unit's emergency response team number.

Status: Comply
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### 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

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

#### 7.12.2

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

**PT Pangkatan Indonesia**



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

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

#### **PT Bilah Plantindo**

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

#### **PT Sembada Sennah Maju**

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

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

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

#### **7.12.3**

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

#### **7.12.4**

The company already has SOPs for the maintenance of protected areas and high conservation value areas which are contained in several SOP documents for Management and Monitoring of High Conservation Values Number SSM/SOP/General-07 dated 2 May 2011. The document describes several important things, including:

- Procedures for protecting flora, fauna and areas of high conservation value in oil palm plantations
- Procedures for managing peatland areas that confirm that areas with a peat depth of more than 3-meters are recommended not to clear land in the planning of conservation activities.
- River border management procedures that confirm that the left and right sides of the river are absolutely excluded from the land clearing area, even though there is no important vegetation (trees) in it. With the reason that the area will be carried out forest rehabilitation activities so that its condition can be restored.
- Unique areas need to be maintained.
- Determination of river border areas that must be conserved, namely for rivers with a width of less than 10 meters having a conservation area on the left and right of the river along 50 meters, and rivers with a width of more than 10 meters having a conservation area on the left and right of the river along the length of the river. 100 meters.

The company also has a report on the realization of HCV management which was carried out for the period 01 November 2021 – October 2022 including:

- Create a mechanism for handling animal conflict which is attached to security
- Conduct animal inventory and monitoring training/training on 23 April 2021

- Socialization of HCV and Environment to staff and employees December 2021
- Mitigation of animal conflicts December 30, 2021
- Make a flowchart of the mechanism for handling conflicts for protected animals on November 26, 2021
- Socialization of HCV and Environment to the community (External) on 23 January 2022
- Maintenance of warning/notice boards December 2021
- Create and maintain/maintain clear boundaries for grave locations in a participatory manner by December 30, 2021

The company has a management and monitoring plan for HCV for the period November 2021 – October 2023 which was made on October 29, 2021. The company can show photo evidence and absence of activities in the Action Plan and HCV Review report documents.

The HCV management activities that have been carried out for the period November 2021 – October 2022 are:

- Conflict and wildlife mitigation training in February 2022 and August 2022
- Monthly HCV patrols
- Conduct monthly water management patrol
- Monthly conflict and wildlife mitigation
- Make a flow chart of the mechanism for protected animals that will be carried out in November 2021
- Carry out maintenance of warning/notice boards in December 2021 and June 2022
- Conducting quarterly fire monitoring reports

#### 7.12.5

There are no customary/traditional rights within the plantation area of the unit of certification. The Estate workers are members of the plantation village community. The local community's rights are only in the form of a public cemetery located in the plantation area and it has been identified as an HCV. In its maintenance, the company and local residents both maintain and manage.

#### 7.12.6

The company has a procedure to protect all endangered species which was established on 02 May 2011, explaining among others:

- Collect and analyze information or documents related to licensing or certainty of land to be built for new plantations or land to be compensated. The land obtained is confirmed to have complied with the shrimp law or related regulations and is not in the form of primary forest or high conservation value forest
- If rare or threatened species are identified in the land where a new plantation will be built, a survey is carried out which includes inventory and monitoring activities
- The general way to take an inventory of animals is to conduct a field survey by exploring as much as possible in the target area/location which includes the number of species, habitat conditions and threats. Surveying of wild animals in nature is essentially a process of proving the existence of wild animals in nature.
- If rare, threatened or endangered species and high conservation value habitats are identified within the plantation area, then:
- Make a map of the area
- Complete information about the condition of the area/location in question
- Etc

The company will identify endangered animals in 2021, namely:

- PT Pangkatan Indonesia, found protected animals, namely White Herons (*Egretta* spp), False Crocodiles or Cows Crocodiles (*Tomistama schlegelli*) and a report has been made to the BKSDA on January 5, 2022
- PT Bilah Plantindo, found protected animals, namely King Prawns (*Halcyon sinyrnensis*), Cranes (*Egretta intermedia*), Forest Cats, Pythons and Otters and have been reported to BKSDA on November 23, 2021
- PT Sembada Sennah Maju, Found animals that are included in the protected list, namely the Brontok Eagle (*Nisateus cirrhatus*), Red Heron (*Ardea Purpurea*), Black Kuduk Kepudang (*Oriolus cinensis*), Jungle Fowl (*Gallus*), Long-tailed Betet (*Psittacula longicauda*), Kucika Kampung (*Copsychus Saularis*), Kepudang (*Oriolus cinensis*), King Shrimp (*Alcedines*) and has been reported to BKSDA on November 15, 2021

#### 7.12.7

The company already has SOPs for the maintenance of protected areas and high conservation value areas which are contained in several SOP documents for Management and Monitoring of High Conservation Values Number SSM/SOP/General-07 dated 2 May

2011.

The document describes several important things, including:

- Procedures for protecting flora, fauna and areas of high conservation value in oil palm plantations
- Procedures for managing peatland areas that confirm that areas with a peat depth of more than 3-meters are recommended not to clear land in the planning of conservation activities.
- River border management procedures that confirm that the left and right sides of the river are absolutely excluded from the land clearing area, even though there is no important vegetation (trees) in it. With the reason that the area will be carried out forest rehabilitation activities so that its condition can be restored.
- Unique areas need to be maintained.
- Determination of river border areas that must be conserved, namely for rivers with a width of less than 10 meters having a conservation area on the left and right of the river along 50 meters, and rivers with a width of more than 10 meters having a conservation area on the left and right of the river along the length of the river. 100 meters.

The company also has a report on the realization of HCV management which was carried out for the period 01 November 2021 – October 2022 including:

- Create a mechanism for handling animal conflict which is attached to security
- Conduct animal inventory and monitoring training/training on 23 April 2021
- Socialization of HCV and Environment to staff and employees December 2021
- Mitigation of animal conflicts December 30, 2021
- Make a flowchart of the mechanism for handling conflicts for protected animals on November 26, 2021
- Socialization of HCV and Environment to the community (External) on 23 January 2022
- Maintenance of warning/notice boards December 2021
- Create and maintain/maintain clear boundaries for grave locations in a participatory manner by December 30, 2021
- Etc

The company has a management and monitoring plan for HCV for the period November 2021 – October 2023 which was made on October 29, 2021. The company can show photo evidence and absence of activities in the Action Plan and HCV Review report documents.

The HCV management activities that have been carried out for the period November 2021 – October 2022 are:

- a. Conflict and wildlife mitigation training in February 2022 and August 2022
- b. Monthly HCV patrols
- c. Conduct monthly water management patrol
- d. Monthly conflict and wildlife mitigation
- e. Make a flow chart of the mechanism for protected animals that will be carried out in November 2021
- f. Carry out maintenance of warning/notice boards in December 2021 and June 2022
- g. Conducting quarterly fire monitoring reports
- h. etc

#### 7.12.8

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

	<b>Status: Comply</b>	
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**3.2 Conformity Checklist of Certificate and Trademark Use**

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

### 3.3 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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



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

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

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

**3.4.2. Identification of Findings, Corrective Actions and Observations at Recertification**

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

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	3.4.2	<p><b>For the unit of certification, a SEIA is available and social and environmental management plan and its monitoring have been developed with participation of affected stakeholders.</b></p> <p>In 2022, the company has developed a social management and monitoring plan that is outlined in the Action Plan document on the findings of the social impact assessment in the certification unit, the involvement of the document preparation process is known to have involved external and internal stakeholders. Based on the results of the review of the review document, companies are encouraged to carry out a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, local residents, youth leaders, contractors and for internal stakeholders by paying attention to wider representation of workers such as local workers, migrants, women, new workers including contract workers.</p>
2	3.6.2	<p><b>The effectiveness of the H&amp;S plan to address health and safety risks to people is monitored.</b></p> <p>Based on the results of field visits in the residential areas of Pangkatan Estate, Bilah Estate, and Sennah Estate, the company has provided housing facilities for employees in good and well-maintained conditions and there are warning boards related to Occupational Health and Safety in several strategic locations. Regarding the Work Safety aspect, the auditor team considered that the company had the opportunity to improve security by providing a special storage area for sharp work tools (<i>dodos / egrek</i>) separately, this is because currently the work tools are stored next to the housing even though they are in safe conditions <i>egrek/dodos</i> has been given a safety sheath).</p>
3	4.2.4	<p><b>The conflict resolution mechanism includes the option of access to independent legal and technical advice. The complainants have the freedom to choose individuals or groups to support them and/or act as observers. The parties can choose the option to engage a third-party mediator.</b></p> <p>At the time of the audit activity, there were 2 cases that were still in the completion stage with the following explanation:</p> <ol style="list-style-type: none"> <li>1. Termination Cases of PT Pangkatan Indonesia's casual daily workers (Estate)  <a href="https://valito.id/17-buruh-pt-pangkalan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/">https://valito.id/17-buruh-pt-pangkalan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/</a> </li> </ol> <p>During the audit activity, the certification unit shows the following problem solving progress documents:</p> <ol style="list-style-type: none"> <li>a. Tripartite negotiations with the Labuhanbatu District Manpower Office on August 28, 2020. The tripartite results refer to <i>Kepmenakertrans</i> No. 100 of 2004 and recommends that each party must provide a written answer no later than 10 days after receiving the recommendation. If one of the parties refuses the recommendation, they can proceed to the industrial relations court.</li> <li>b. The 17 employees of PT Pangkatan Indonesia with casual daily worker status authorized the Jonni Silitonga, S.H, M.H &amp; Partners Law Office on January 15, 2021.</li> <li>c. Registration of the lawsuit at the Medan District Court on February 4, 2021.</li> <li>d. Copy of decision No. 44/Pdt.Sus-PHI/2021/PN.MDN dated October 24, 2021 between Samsianto et al (casual daily workers of PT Pangkatan Indonesia) and PT Pangkatan Indonesia. The results decided to punish the defendants to pay the rights of each plaintiff with a total value of IDR 310,047,500 and charge court fees to the defendant in the amount of IDR 1,210,000</li> <li>e. Based on the decision of the Medan District Court, the certification unit filed a cassation by showing the Deed of Statement of Cassation with No. 308/Kas/2021/PHI.Mdn.Jo on November 8, 2021.</li> <li>f. Decision of the Supreme Court of the Republic of Indonesia on April 20, 2022 with No. 734/K/Pdt.Sus-PHI/2022 expressed rejection of the cassation and corrected the Decision of the Industrial Relations Court at the Medan District Court on August 30, 2021.</li> <li>g. Summons (<i>Relaas</i>) Notification of the Cassation Decision to the Cassation Petitioner by the Bailiff of the Medan District Court with No. 734K/Pdt.Sus-PHI/2022, Jo. No. 44/Pdt.Sus-PHI/2021/PN.Mdn dated</li> </ol>

No	Ref. Std.	Description
		<p>September 1, 2022. Based on the Summons (<i>Re/aas</i>) state that the certification unit must pay the employee's rights in accordance with the final decision.</p> <p>During the audit activity, the auditor conducted interviews with 2 former employees of PT Pangkatan Indonesia with the initials PN and SM. From the results of the interviews, it was known that during the problem-solving process there was no indication of threats from the company to 17 employees, it was further explained that all employees accepted the results of the cassation decision. Based on documents verifications and interview with managements obtained information that the submission of costs for compensation for casual works has received approval from management on 20 October 2022</p> <p>Based on interviews with management revealed that until now, the certification unit is still in the stage of submitting payments at the head office, so certification unit has the opportunity to ensure the payment of the rights of 17 former employees in accordance with court decisions.</p> <p>2. Termination Cases of PT Pangkatan Indonesia's casual daily workers (Mill)  <a href="https://valito.id/pengacara-ini-gugat-phk-imam-siswanto-buruh-pt-pangkatan-indonesia-ke-pphi/">https://valito.id/pengacara-ini-gugat-phk-imam-siswanto-buruh-pt-pangkatan-indonesia-ke-pphi/</a></p> <p>During the audit activity, the certification unit shows the following problem solving progress documents:</p> <ol style="list-style-type: none"> <li>Tripartite negotiations with the Manpower Office of Labuhanbatu District on October 14, 2021. The tripartite results recommended that the workers receive severance pay, gratuity for years of service and compensation for entitlements with a value of IDR 45,414,075 and recommended that each party must provide a written answer at least within 10 days after receiving the recommendation. If one of the parties refuses the recommendation, they can proceed to the industrial relations court.</li> <li>Imam Siswanto's party authorized the Jonni Silitonga, S.H, M.H &amp; Partners Law Office on November 8, 2021 to continue the legal settlement of the case.</li> <li>Registration of Imam Siswanto's lawsuit to the Medan District Court on December 3, 2021.</li> <li>Medan District Court Decision No. 417/Pdt.Sus-PHI/2021/PN Mdn dated February 7, 2022 stated that the company must pay the claimant's rights amounting to IDR 94,530,997.</li> <li>Based on the decision of the Medan District Court, the certification unit filed an appeal by showing the document of the Deed of Statement of Application for Cassation with No. 101/Kas/2022/PHI.Mdn.Jo. No. 417/Pdt.Sus-PHI/2021/PN.Mdn dated May 9, 2022.</li> </ol> <p>Based on interviews with management revealed that until now, the certification unit is still in the stage of waiting for the results of the cassation, so the certification unit has the opportunity to ensure the process of resolving the problem until the decision of the cassation by the Medan District Court.</p>
4	4.4.1	<p><b>Documents are available showing legal ownership or lease, or customary land use permits granted by customary land owners (ulayat) through a FPIC process. Documents relating to the history of land ownership and actual legal or customary use are available.</b></p> <p>PT Bilah Plantindo (on behalf of PT Surya Makmur) has HGU Certificate No. 1 of 1989, dated October 24, 1989, covering an area of <b>1,641 hectares</b> with a validity period of up to December 31, 2018. During the audit, the company indicated that SK HGU No. 23/HGU/KEM-ATR/BPN/IV/2021 dated April 16, 2021 regarding the extension of the term of the HGU on behalf of PT Surya Makmur with an area of <b>1,516.63 Ha</b>. Then issued HGU Certificate No. 81 year 2021 on behalf of PT Surya Makmur covering an area of <b>1,516.63 Ha</b> on June 2, 2021 and valid until December 31, 2043. However, the area is reduced compared to the area in the previous HGU certificate. The company said that in fact there was no physical area increase from the previous HGU.</p> <p>Therefore, the company showed an application letter for HGU covering an area of <b>178.18 Ha</b> to the Head of the Labuhanbatu Land Office on February 6, 2020. The company showed evidence that the area had obtained a</p>

No	Ref. Std.	Description
		<p>Location Permit covering an area of <b>178.18 Ha</b> on July 26, 2018.</p> <p>Then a letter from the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency Regional Office of the National Land Agency of Sumatera Utara Province was also shown No: 78/UND-300.HT.01.02/V/2020 dated May 8, 2020 regarding invitations to several agencies to carry out inspections, research and field review as well as the Land Inspection Committee Meeting B in the context of making Minutes of Land Inspection "B" related to the HGU application on behalf of Aleksa Sihombing who acts as Director of PT Surya Makmur covering an area of <b>178.18 Ha</b> located in the village of Perkebunan Bilah, Sub District of Bilah Hilir, District of Labuhanbatu, Sumatera Utara Province. However, until this audit was carried out, the company had not received further information regarding the Committee B trial process.</p> <p>Therefore, companies are encouraged to ensure that the process of acquiring land rights in the form of HGU in the 178.18 Ha area is carried out in a positive manner.</p>
5	6.7.2	<p><b>Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</b></p> <p>Based on the results of field observations in the Estate and Mill areas, it is known that the company has installed OHS symbols, has Fire extinguisher, installed MSDS, and has Hydrant in strategic locations according to the level of hazard. During the audit process the auditor team assessed that the company was encouraged to improve performance such as:</p> <ul style="list-style-type: none"> <li>- More informative OHS information/symbol boards are not limited to symbols only</li> <li>- MSDS is placed in a place that is easy to read (not too high)</li> <li>- SOP / Policy in a more informative form that attracts the attention of employees</li> <li>- Fire extinguisher and Hydrant Hoses are placed in a more accessible place.</li> </ul>

#### 3.4.4. Noteworthy Positive Components

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

**3.5 Summary of Arising Issues from Public and Auditor Verification**


Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Chair of the Gender Committee of Bilah Estate</b> <ul style="list-style-type: none"> <li>Company gender committee programs such as regular meetings held every month, <i>Posyandu</i>, Morning Gymnastics, and Reporting to company management.</li> <li>Currently there are 10 members of the Gender Committee.</li> <li>The gender committee routinely carries out socialization to employees regarding women's equal rights, introducing the prohibition on sexual violence, etc.</li> <li>The gender committee is also involved in identifying the needs of new mothers.</li> <li>The gender committee also cooperates with the Perkebunan Bilah Village in carrying out the activities of the gender committee.</li> </ul>	<p>There are no issues that need to be further verified.</p>
<b>Chairman of Koperasi Konsumen Serba Lancar Bilah (Bilah Estate)</b> <ul style="list-style-type: none"> <li>The business field of the employee cooperative is the business of selling basic necessities.</li> <li>Currently, there are 546 members of the employee cooperative.</li> <li>The Annual Members Meeting was held on October 10, 2022.</li> <li>The employee cooperative also has a Cooperative Establishment Deed.</li> <li>Employee Cooperative Principal Savings of IDR 15,000/Member</li> <li>The company has also supported the establishment of an employee cooperative by providing a cooperative building and providing 1 worker as a cooperative employee. In addition, the company also provides computers to cooperatives.</li> <li>There is no intervention from the Company related to the management of the Employee Cooperative.</li> </ul>	<p>There are no issues that need to be further verified.</p>
<b>Environmental Agency of Labuhanbatu District</b> <ul style="list-style-type: none"> <li>There are no issues related to environmental pollution or land fire</li> <li>Permits still valid. The domestic waste disposal permit is still in the processing stage</li> <li>Mandatory reports have been submitted by the company regularly</li> <li>Certification unit often communicate with Environment Agency.</li> <li>No overlap with forest area</li> <li>The certification unit has participate in CSR forums</li> </ul>	<p>There are no issues that need to be further verified.</p>
<b>Plantation Agency of Labuhanbatu District</b> <ul style="list-style-type: none"> <li>There have been no land fires in the last year.</li> <li>There are no indigenous peoples in the company's operational areas.</li> <li>The certification unit carries out CSR programs on a regular basis.</li> </ul>	<p>There were no negative issues that need further verification.</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Manpower Agency of Labuhanbatu District</b> <ul style="list-style-type: none"> <li>In the last two years period there were no industrial relations problems.</li> <li>The CLA is still valid</li> <li>Labour union has been formed without any intervention from the certification unit.</li> <li>There are no complaints regarding the granting of rights and facilities provided by the certification.</li> <li>All workers have been registered in the health insurance and employment insurance programs</li> </ul>	<p>There are no issues that need to be further verified.</p>
<b>Local Contractor of EFB Transporter (CV Anugerah)</b> <ul style="list-style-type: none"> <li>The agreement has been agreed by both parties.</li> <li>CV Anugerah is an EFB transporter company.</li> <li>Contractor provides PPE to workers.</li> <li>Contractor pay worker wages in accordance with the minimum wage applicable in the local area</li> <li>Contractors involve their employees in the <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> program</li> <li>There were no complaints regarding payments and payments in accordance with the work agreement.</li> </ul>	<p>There is no negative issue related to local contractor.</p>
<b>FFB Supplier (CV Teng Gaes Jaya)</b> <ul style="list-style-type: none"> <li>The agreement has been agreed by both parties.</li> <li>CV Teng Gaes Jaya is a FFB supplier.</li> <li>Contractor provides PPE to workers.</li> <li>Contractor pay worker wages in accordance with the minimum wage applicable in the local area</li> <li>Contractors involve their employees in the <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> program</li> <li>There were no complaints regarding payments and payments in accordance with the work agreement.</li> </ul>	<p>There is no negative issue related to local contractor.</p>
<b>Gender Committee of Pangkatan (Estate and Mill)</b> <ul style="list-style-type: none"> <li>Gender Committee activities include socialization of sexual harassment, complaints, general health and so on. There are no issues related to sexual harassment.</li> <li>Female workers have the right to get menstruation leave (H1) and maternity leave (H2).</li> <li>The gender committee had a religious program every week and public health service.</li> <li>There are men in the organizational structure of the gender committee</li> </ul>	<p>There are no issues that need to be further verified.</p>
<b>Perkebunan Pangkatan Village</b> <ul style="list-style-type: none"> <li>One of the positive impacts is an increase community economic.</li> </ul>	<p>There are no issues that need to be further verified.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• If there are job vacancies, the certification unit will notify to the village.</li> <li>• CSR assistance such as assistance for orphans, needy, scholarships and others.</li> <li>• No environmental pollution issues</li> <li>• No land fires at certification unit area.</li> <li>• There are no land disputes</li> <li>• One of the previous land owners. From the results of the interview, it is known that there is no coercion in terms of land compensation.</li> </ul>	
<p><b>Labour Union of:</b></p> <p>a. <b>Pangkalan Mill and Estate (SPM)</b></p> <p>b. <b>Bilah Estate (SPM)</b></p> <ul style="list-style-type: none"> <li>• The certification unit supports employee organizational activities and has never intimidated or intervened.</li> <li>• All employees working at estate and mill are permanent worker.</li> <li>• Already have a Collective Labor Agreement.</li> <li>• The wage reference used is <i>UMK</i> for 2022.</li> <li>• No issues related to employment in the last 1 year.</li> <li>• Special health checks for employees with high risk in 2022 will still be carried out in accordance with the Covid-19 protocol</li> </ul>	<p>There are no issues that need to be further verified.</p>
<p><b>The termination case of Estate Employee of PT Pangkatan Indonesia</b></p> <p><a href="https://valito.id/17-buruh-pt-pangkalan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/">https://valito.id/17-buruh-pt-pangkalan-indonesia-mp-evans-group-ajukan-gugatan-ke-phi/</a></p>	<p>During the audit activity, the auditor conducted interviews with 2 former employees of PT Pangkatan Indonesia with the initials PN and SM. From the results of the interviews, it was known that during the problem solving process there was no indication of threats from the certification unit to 17 employees, it was further explained that all employees had received the results of the cassation decision.</p>
<p><b>The termination case of Mill Employee of PT Pangkatan Indonesia</b></p> <p><a href="https://valito.id/pengacara-ini-gugat-phk-imam-siswanto-buruh-pt-pangkalan-indonesia-ke-pphi/">https://valito.id/pengacara-ini-gugat-phk-imam-siswanto-buruh-pt-pangkalan-indonesia-ke-pphi/</a></p>	<p>During the audit activity, the certification unit showed the progress document of problem solving where the last process the certification unit filed a cassation by showing the Deed of Statement of Cassation Application with No. 101/Kas/2022/PHI.Mdn.Jo. No. 417/Pdt.Sus-PHI/2021/PN.Mdn dated May 9, 2022.</p>
<p><b>Sennah Independent Workers Union</b></p> <ul style="list-style-type: none"> <li>• Trade unions are involved in every preparation of the CLA.</li> <li>• Internal union meetings are held at least every 1 (one) month and with the company once a month or if needed can be done at any time.</li> <li>• The wages paid by the company are in accordance with the applicable minimum wage.</li> <li>• The company supports union activities by providing secretarial rooms.</li> <li>• There are no labor-related issues that are complaints from workers.</li> </ul>	<p>There are no issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Gender Committee Sennah Estate</b> <ul style="list-style-type: none"> <li>• The gender committee has an annual program of activities</li> <li>• There were no complaints regarding issues related to sexual harassment and violence against women.</li> <li>• The gender committee has disseminated policies related to gender, immoral acts, and domestic violence.</li> <li>• Maternity leave is 1.5 months before giving birth and 1.5 months after giving birth.</li> </ul>	<p>There are no issues that need further verification.</p>
<b>Employee Cooperative Sennah Estate</b> <ul style="list-style-type: none"> <li>• Sejahtera Perkebunan Sennah Employee Cooperative is engaged in selling basic necessities for employees.</li> <li>• The company strongly supports the development of employee cooperatives, for example by providing building facilities, electricity and providing socialization related to cooperatives to workers.</li> </ul>	<p>There are no issues that need further verification.</p>
<b>Sennah Village Head</b> <p>The company has a positive impact that is felt by the surrounding community, such as routine assistance provided to the company, for example, the provision of clean water, other CSR assistance and employment from local communities in the company.</p>	<p>There are no issues that need further verification.</p>
<b>Negeri Baru Village Head</b> <p>The community around the company has felt the positive impact of the establishment of the company. The village also has a good cooperative relationship and the company responds quickly when there is assistance needed by the village and the company also routinely provides CSR assistance to the surrounding community.</p>	<p>There are no issues that need further verification.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div><div><p>PT Pangkatan Indonesia Management Representative</p><p><u>Arvind Devadasan</u> Monday, 24 October 2022</p></div><div><p>MUTU International Lead Auditor</p><p><u>Moh Arif Yusni</u> Monday, 24 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 Comm	Date of Contact	Response	
						Yes	No
1	Land Office	Labuhanbatu District	-	Via phone	18 October 2022		✓
2	Plantation Agency	Labuhanbatu District, Sumatera Utara	-	Via Phone	18 October 2022	✓	
3	Environmental Agency	Labuhanbatu District, Sumatera Utara	-	Via Phone	18 October 2022	✓	
4	Manpower Agency	Labuhanbatu District, Sumatera Utara	-	Via Phone	18 October 2022	✓	
5	Perkebunan Pangkatan Village	Labuhanbatu District, Sumatera Utara	-	Via Phone	18 October 2022	✓	
8	Sennah Village	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
9	Negeri Baru Village	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
10	CV Anugerah (EFB Transporter)	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
11	CV Teng Gaes Jaya (FFB Suppliers)	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
12	Employment Cooperative	Labuhanbatu District, Sumatera Utara	-	Via Phone	18 October 2022	✓	
13	Gender Commite PT Pangkatan Indonesia	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
14	Worker Union PT Pangkatan Indonesia	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
15	Worker Cooperative PT Pangkatan	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
16	Gender Commite PT Sembada Sennah Maju	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
17	Worker Union PT Sembada Sennah Maju	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
18	Gender Commite PT Bilah Plantindo	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
19	Worker Union PT Bilah Plantindo	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
20	Worker Cooperative PT Bilah Plantindo	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
21	2 Casual workers that terminated in Pangkatan Estate	Labuhanbatu District, Sumatera Utara	-	Via phone	18 October 2022	✓	
22	Pangkatan POM (21 workers)	Labuhanbatu District, Sumatera Utara	-	Observation and Interview	18 October 2022	✓	
23	Pangkatan Estate: (25 Workers)	Labuhanbatu District, Sumatera Utara	-	Observation and Interview	18 October 2022	✓	
24	Bilah Estate: (16 Workers)	Labuhanbatu District, Sumatera Utara	-	Observation and Interview	19 October 2022	✓	
25	Sennah Estate: (23 Workers)	Labuhanbatu District, Sumatera Utara	-	Observation and Interview	19 October 2022	✓	
26	World Wide Fund	Labuhanbatu District,	<a href="http://www.wwf.org">wwwf-</a>	Via email	04 October		✓

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
		Sumatera Utara	<a href="mailto:indonesia@wwf.or.id">indonesia@wwf.or.id</a>		2022		
27	Wahana Lingkungan Hidup Indonesia	Labuhanbatu District, Sumatera Utara	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Via email	04 October 2022		✓
28	Sawit Watch	Labuhanbatu District, Sumatera Utara	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	04 October 2022		✓
29	Aliansi Masyarakat Adat Nusantara	Labuhanbatu District, Sumatera Utara	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Via email	04 October 2022		✓



**Appendix 2. Assessment Program**

Date	17 – 22 October 2022	
Planned Time	Processes / Clauses To Be Audited	Auditor
<b>Monday, 17 October 2022</b>		
04.45 – 07.00	JAKARTA → MEDAN	All Auditor
08.00 – 15.00	MEDAN → PT Pangkatan Indonesia	
15.00 – 16.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	All Auditor
16.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> </ul>	All Auditor
<b>Tuesday, 18 October 2022</b>		
08.00 – 12.00	<b>Stakeholder Consultation</b> <ul style="list-style-type: none"> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner</li> <li>public consultation with stakeholder to relevant agency in Labuhanbatu District (by Phone)</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier</li> </ul>	YYT
08.00 – 12.00	<b>Field Observation to PANGKATAN ESTATE</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	MAY / RRW RAB MAY / RRW RAB RAB MAY / RRW
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 16.15	<b>Field observation to PANGKATAN POM :</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch CPO)</li> </ul>	YYT / MAY

Date	17 – 22 October 2022	
Planned Time	Processes / Clauses To Be Audited	Auditor
16.15 – 17.00	<ul style="list-style-type: none"><li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li><li>Implementation of Employment Procedure and Mechanism Aspect</li></ul>	RRW / RAB
		YYT / MAY
	Presentation of Daily Progress	All Auditor
Wednesday, 19 October 2022		
08.00 – 12.00	<b>Field Observation to Billah Estate</b> Aspect to be verified: <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li><li>Implementation of Occupational Health &amp; Safety Aspect</li><li>Implementation of Employment Procedure and Mechanism Aspect</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li></ul>	MAY / RRW RAB / YYT  MAY / RRW  RAB / YYT RAB / YYT MAY / RRW
12.00 – 14.00	Break	
14.00 – 16.15	<ul style="list-style-type: none"><li>Verification of stakeholder consultation result and field visit.</li><li>Document review and completing audit checklist.</li></ul>	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"><li>Presentation of Daily Progress</li></ul>	
Thursday, 20 October 2022		
08.00 – 12.00	<b>Field Observation to Sennah Estate</b> Aspect to be verified: <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li><li>Implementation of Occupational Health &amp; Safety Aspect</li><li>Implementation of Employment Procedure and Mechanism Aspect</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li></ul>	MAY / RRW RAB / YYT  MAY / RRW  RAB / YYT RAB / YYT MAY / RRW
12.00 – 14.00	Break	
16.00 – 17.00	<ul style="list-style-type: none"><li>Verification of stakeholder consultation result and field visit.</li><li>Document review and completing audit checklist.</li><li>Presentation of Daily Progress</li></ul>	All Auditor

Date	17 – 22 October 2022	
Planned Time	Processes / Clauses To Be Audited	Auditor
16.15 – 17.00		
<b>FRIDAY, 21 OCTOBER 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>	All Auditor
12.00 – 14.00	Break	
14.00 – 16.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
16.15 – 17.00	<b>Closing Meeting</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> <li>Comments, Responses and Questions</li> </ul>	
<b>SATURDAY, 22 OCTOBER 2022</b>		
08.00 – 15.00	PT Pangkatan Indonesia → MEDAN	All Auditor
19.00 -	MEDAN → JAKARTA	