

*Roundtable on Sustainable Palm Oil Certification  
RSPO*

**[✓] Surveillance**

Name of Management Organisation : **Sei Intan Palm Oil Mill – PT Perkebunan Nusantara V Subsidiary of PT Perkebunan Nusantara III**  
 Plantation Name : PT Perkebunan Nusantara V – Sei Intan Estate  
 Location : Village of Kembang Damai, Sub District of Pagaran Tapah Darussalam, District of Rokan Hulu, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/133**  
 Date of Certificate Issue : 17 June 2019                      Date of License Issue : 17 December 2022  
 Date of Certificate Expiry : 16 June 2024                      Date of License Expiry : 16 June 2023

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	01 to 05 August 2022	Hasiholan Sihombing (Lead Auditor), Rahmat Abdiansyah, Sentot Adi Subandono and Kiki Fadli	Briyogi Shadiwa	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	17 November 2022

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of PT Perkebunan Nusantara V – Sei Intan 1

Figure 2. Operational Map of PT Perkebunan Nusantara V – Sei Intan 2

Abbreviations Used 3

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used 5

1.2 Organisation Information 5

1.3 Type of Assessment 5

1.4 Location of Mill and Plantations 5

1.5 Description of Area Statement 5

1.6 Planting Year and Cycle 6

1.7 Description of Mill and Supply Base 6

1.8 Estimate Tonnage of Certified Product 7

1.9 Other Certifications 8

1.10 Time-Bound Plan 8

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team 15

2.2 Assessment Methodology, Assessment Process and Locations of Assessment 15

2.3 Stakeholder Consultation and Stakeholders Contacted 17

2.4 Determining Next Assessment 17

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification 18

3.2 Conformity Checklist of Certificate and Logo Use 65

3.3 Summary of RSPO Partial Certification 66

3.4 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components 80

3.5 Summary of Arising Issues from Public and Auditor Verification 98

**4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1 Formal Signing of Assessment Findings 102

**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process 103

2. Assessment Program 105

Figure 1. Location Map of Sei Intan POM – PT Perkebunan Nusantara V

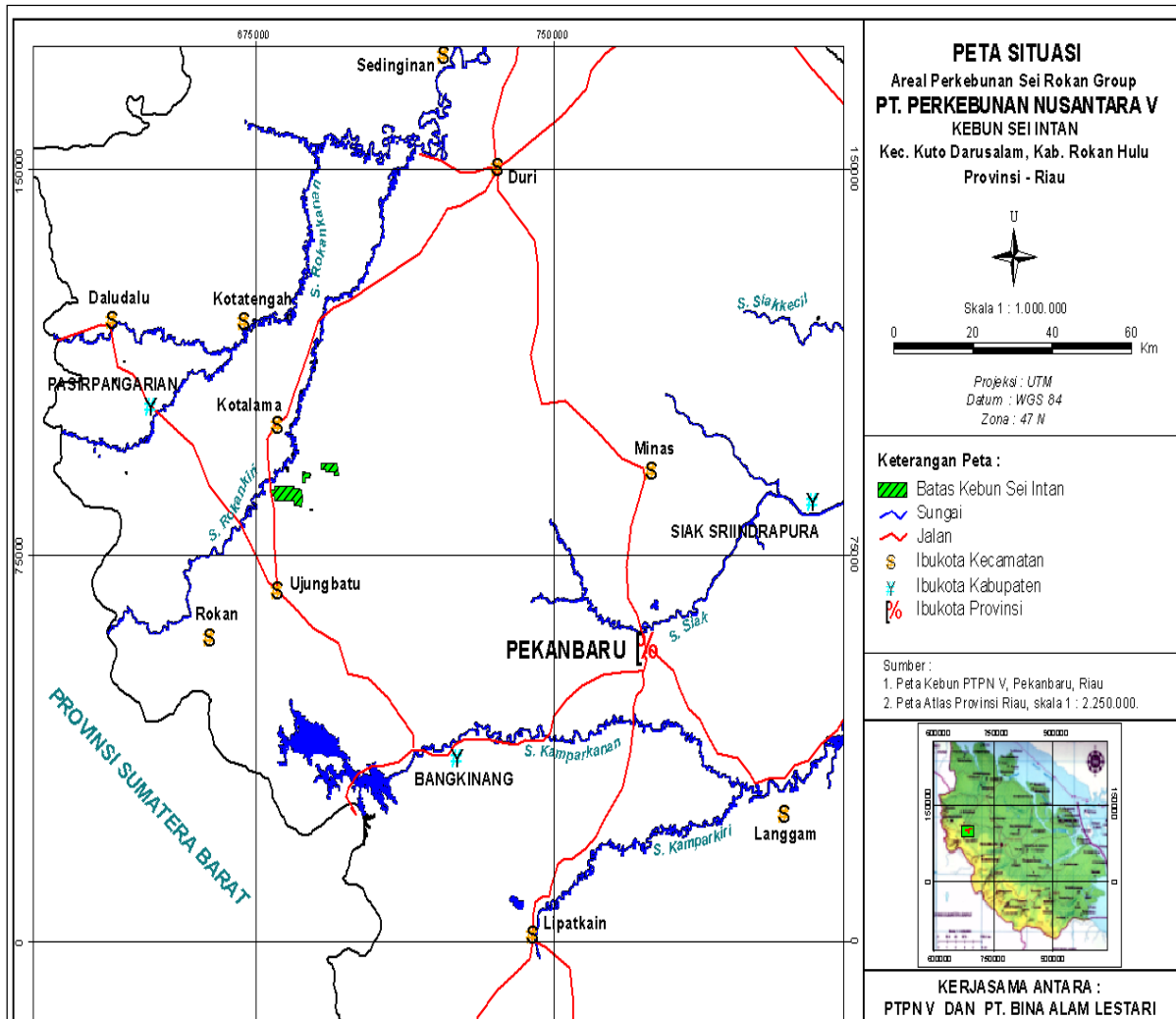
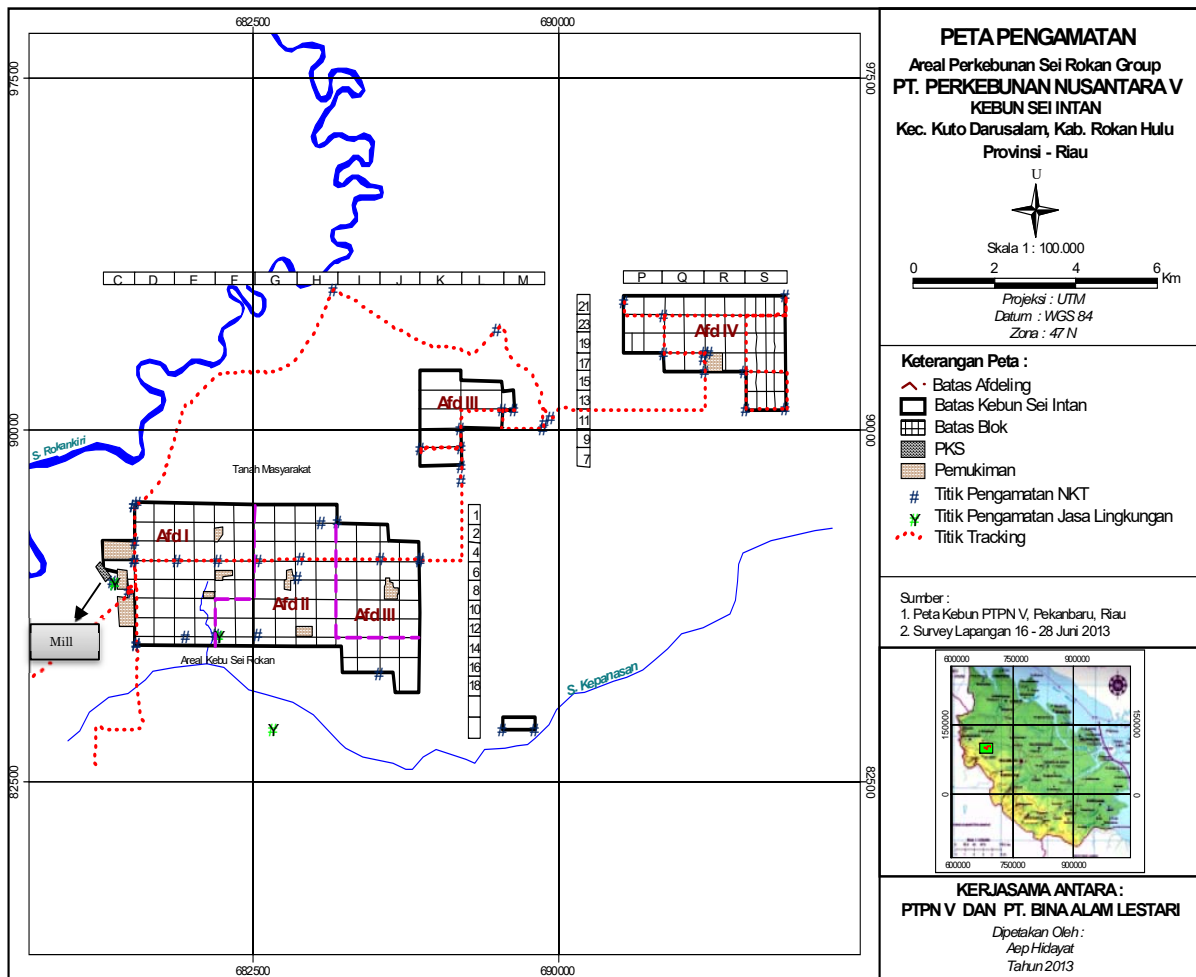


Figure 2. Operational Map of Sei Intan POM – PT Perkebunan Nusantara V



Abbreviations Used

AMDAL	:	<i>Analisis Manajemen Dampak Lingkungan</i>
BAPEDALDA	:	<i>Badan Pengendali Dampak Lingkungan Daerah</i>
BOD	:	Biological oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
BPN	:	<i>Badan Pertanahan Nasional</i>
BLH	:	Environmental Agency
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	Commanditaire Vennootschap
DISNAKERTRANS	:	<i>Dinas Tenaga Kerja dan Transmigrasi</i>
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
GAPKI	:	<i>Gabungan Pengusaha Kelapa Sawit Indonesia</i>
GHG	:	Greenhouse Gases
HCV	:	High conservation value
HGU	:	<i>Hak Guna Usaha</i>
HIRAC	:	Hazard Identification Risk Assessment Control
HIRADC	:	Hazard Identification Risk Assessment Determining Control
IOPRI	:	Indonesian Oil Palm Research Institute
IPM	:	Integrated Pest Management
IK	:	Work Instruction
ISPO	:	Indonesian Sustainable Palm Oil
JHT	:	<i>Jaminan Hari Tua</i>
JKK	:	<i>Jaminan Kecelakaan Kerja</i>
JKM	:	<i>Jaminan Kematian</i>
JP	:	<i>Jaminan Pensiun</i>
KAN	:	<i>Komite Akreditasi Nasional / National Accreditation Committee</i>
KER	:	<i>Kernel Extraction Rate</i>
KUD	:	<i>Koperasi Unit Desa</i>
LA	:	Land Application
LD50	:	Lethal Dose 50
LSU	:	Leaf Sampling Unit
Maskep	:	Masinis Kepala (chief engineer)
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Governmental Organization
OER	:	<i>Oil Extraction Rate</i>
OHS	:	Occupational Safety and Health
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i>
PDBL	:	<i>Penyaluran Dana Bina Lingkungan – kind of CSR that managed by Head Office of PTPN V</i>
PERMENKES	:	<i>Peraturan Menteri Kesehatan</i>
PERMENAKER	:	<i>Peraturan Menteri Tenaga Kerja</i>
PMKS	:	<i>Pabrik Minyak Kelapa Sawit (POM)</i>
POM	:	Palm Oil Mill
POME	:	<i>Palm Oil Mill Effluent</i>
PPE	:	Personal Protective Equipment
PTPN	:	<i>Perseroan Terbatas Perkebunan Nusantara / State Owned Plantation Company</i>
RKL/RPL	:	Environmental Management Plan / Environmental Monitoring Plan
RTE	:	Rare, threatened and endangered species

RSPO	:	Roundtable on Sustainable Palm Oil
SBU	:	<i>Satuan Bisnis Usaha</i>
SCCS	:	<i>Supply Chain Certification System</i>
SEL	:	Environmental Evaluation Study
SIA	:	Study Impacts Assessment
SK	:	<i>Surat Keputusan</i>
SOP	:	Standard Operating Procedure
SPK	:	<i>Surat Perjanjian Kerja (Agreement Letter)</i>
SRO	:	<i>Sei Rokan</i>
SSU	:	Soil Sampling Unit
UKL	:	<i>Upaya Pengelolaan Lingkungan Hidup</i>
UPL	:	<i>Upaya Pemantauan Lingkungan Hidup</i>
WHO	:	World Health Organization
WI	:	<i>Work Instruction</i>
WTP	:	Water Treatment Plan
WWTP	:	Waste Water Treatment Plant

1.0	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li> </ul>	
1.2	<b>Organization Information</b>		
1.2.1	Organization name listed in the certificate	Sei Intan POM, PT Perkebunan Nusantara V	
1.2.2	Contact person	Jenny Tarigan	
1.2.3	Organization address and site address	Jalan Rambutan, No. 43, Pekan Baru, Riau, Indonesia - 28294	
1.2.4	Telephone	(0761) 66565	
1.2.5	Fax	(0761) 66558	
1.2.6	E-mail	<a href="mailto:ptpn5@ptpn5.co.id">ptpn5@ptpn5.co.id</a>	
1.2.7	Web page address	<a href="http://www.ptpn5.co.id">www.ptpn5.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Jenny Tarigan	
1.2.9	Registered as RSPO member	1-0211-16000-00, 14 May 2016.	
1.3	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Sei Intan POM and Sei Intan Estate	
1.3.2	Type of certificate	Single	
1.4	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Sei Intan POM	Kembang Damai Village, Pagaran Tapah Darussalam Sub District, Rokan Hulu District, Riau Province, Indonesia	N 0° 47' 1.7"      E 100° 36' 41"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Sei Intan Estate	Kembang Damai Village, Pagaran Tapah Darussalam Sub District, Rokan Hulu District, Riau Province, Indonesia	N 0° 46' 50"      E 100° 36' 36.5"
1.5	<b>Description of Area Statement</b>		
1.5.1	Tenure		
	• State	3,286.40 ha	
	• Community	- ha	
1.5.2	<b>Area Statement</b>		





Sei Berlian Estate (RSPO Certified)	PTPN V	-	4,927.62	38,881.89
KUD Karya Mukti (RSPO Non-Certified)	Independent Suppliers	-	-	85.95
Ruffina (RSPO Non-Certified)	Independent Suppliers	-	-	2,471.68
Iswandi (RSPO Non-Certified)	Independent Suppliers	-	-	2,468.58
PT Sugih Indah Sejati (RSPO Non-Certified)	Independent Suppliers	-	-	11,809.18
Muktar (RSPO Non-Certified)	Independent Suppliers	-	-	1,974.29
Ria Paulina (RSPO Non-Certified)	Independent Suppliers	-	-	8.38
Sri Cahaya NST (RSPO Non-Certified)	Independent Suppliers	-	-	22.91
Gusrianto (RSPO Non-Certified)	Independent Suppliers	-	-	4,376.77
Silvia Devi (RSPO Non-Certified)	Independent Suppliers	-	-	2,462.82
Paizon Hakiki (RSPO Non-Certified)	Independent Suppliers	-	-	2,061.40
Anton (RSPO Non-Certified)	Independent Suppliers	-	-	1,064.78
Nopra Weldi (RSPO Non-Certified)	Independent Suppliers	-	-	1,325.18
Ade Putra (RSPO Non-Certified)	Independent Suppliers	-	-	1,095.31
Megi Z (RSPO Non-Certified)	Independent Suppliers	-	-	2,126.88
Imron (RSPO Non-Certified)	Independent Suppliers	-	-	1,602.15
Laisar (RSPO Non-Certified)	Independent Suppliers	-	-	1,104.77
Koperasi Muara Dilam (RSPO Non-Certified)	Independent Suppliers	-	-	658.13
<b>TOTAL</b>				<b>99,096.01</b>
<i>*Production data source from July 2021 to June 2022</i>				
1.7.4	Product categories	FFB, CPO, PK		
<b>1.8</b>	<b>Tonnage of Product</b>			
1.8.1	Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)
	FFB Processed	255,524		139,270.36
	CPO Production	56,180		31,751.42
	Palm Kernel (PK) Production	9,927		5,758.36
1.8.2	Product selling	Actual selling product period (July 2021 to June 2022) (MT)		
	Type of selling product			
	CSPO sold as RSPO certified product	13,812.79		
	CSPK sold as RSPO certified product	4,216.45		
	CSPO sold under other scheme	0		
	CSPK sold under other scheme	0		
	CSPO sold as conventional	15,167.65		
	CSPK sold as conventional	1,421.87		
1.8.3	Estimate of Certified FFB Claim			

	Name of Estate(s)	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Sei Intan Estate	3,286.40	3,092.68	82,000	26.51			
	<b>TOTAL</b>	<b>3,286.40</b>	<b>3,092.68</b>	<b>82,000</b>	<b>26.51</b>			
<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 (%)	
	Sei Intan POM	30	82,000	18,500	22.56	3,700	4.51	Mass Balance
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>								
1.9	<b>Other Certifications</b>							
	ISO 9001			-				
	ISO 14001			-				
	SMK3			-				
	ISPO			ISPO Certificate No. TNI-ISPO-K-1713 valid thru 29 November 2023 by TUV Nord Indonesia				
	ISCC			ISCC Certificate No. EU-ISCC-Cert-DE129-35311545 valid thru 25 February 2023 by TUV Nord Indonesia				
1.10	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Pulau Tiga (PTPN I)	2022	Pulau Tiga Estate	2022	Aceh Tamiang District, Aceh Province	Audited on 2022		
	Tanjung Seumantoh (PTPN I)	2022	Lama Estate	2022	Aceh Timur District, Aceh Province			
			Baru Estate	2022	Aceh Timur District, Aceh Province			
			Tualang Sawit Estate	2022	Aceh Timur District, Aceh Province			
			Julok Rayeuk Selatan Estate	2022	Aceh Timur District, Aceh Province			
	Cot Girek (PTPN I)	2022	Julok Rayeuk Utara Estate	2022	Aceh Utara District, Aceh Province			
			Cot Girek Es-tate	2022	Aceh Utara District, Aceh Province			
	Sawit Hulu (PTPN II)	2022	Sawit Hulu Estate	2022	Langkat District, Sumatera Utara Province			
	Kwala Sawit (PTPN II)	2022	Kwala Sawit Estate	2022	Langkat District, Sumatera Utara Province			
			Air Tenang Estate	2022	Langkat District, Sumatera Utara Province			
	Sawit Seberang (PTPN II)	2022	Batang Serangan Estate	2022	Langkat District, Sumatera Utara Province			

			Sawit Seberang Estate	2022	Langkat District, Sumatera Utara Province	
			Tanjung Jati (Rayon) Estate	2022	Langkat District, Sumatera Utara Province	
	Pagar Merbau (PTPN II)	2022	Tanjung Garbus Estate	2022	Deli Serdang District, Sumatera Utara Province	Audited on 2022
			Melati Estate	2022	Deli Serdang District, Sumatera Utara Province	
			Patumbak Estate	2023	Deli Serdang District, Sumatera Utara Province	
			Limau Mukur Estate	2023	Deli Serdang District, Sumatera Utara Province	
			Tandem (Rayon) Estate	2023	Deli Serdang District, Sumatera Utara Province	
	Sisumut (PTPN III)	2015	Sisumut Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	October 15, 2015 (Certified)
			Aek Nabara Utara Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	October 15, 2015 (Certified)
	Rambutan (PTPN III)	2016	Tanah Raja Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
			Gunung Monaco Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
			Silau Dunia Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
			Sarang Ginting Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
			Sei Putih Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
			Rambutan Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
			Bandar Betsy Estate	2022	Simalungun District, Sumatera Utara Province	
	Sei Daun (PTPN III)	2015	Sei Daun Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 8, 2016 (Certified)
			Bukit Tujuh Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 8, 2016 (Certified)
	Torgamba (PTPN III)	2015	Torgamba Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 7, 2016 (Certified)
	Sei Meranti (PTPN III)	2016	Sei Meranti Estate	2016	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 14, 2016 (Certified)
	Sei Silau (PTPN III)	2017	Sei Silau Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
			Pulau Mandi Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
			Ambalutu Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
			Hutapadang Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)

	Sei Mangkei (PTPN III)	2017	Dusun Hulu Estate	2017	Batubara District, Sumatera Utara Province	Oct 2017 (Certified)
			Bangun Estate	2017	Simalungun District, Sumatera Utara Province	Oct 2017 (Certified)
			Gunung Para Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Oct 2017 (Certified)
			Gunung Pamela Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Oct 2017 (Certified)
			Sei Dadap Estate	2017	Asahan District, Sumatera Utara Province	Oct 2017 (Certified)
	Sei Baruhur (PTPN III)	2018	Sei Baruhur Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	April 2018 (Certified)
			Sei Kabara Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	April 2018 (Certified)
	Hapesong (PTPN III)	2020	Hapesong Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	October 2020 (certified)
			Batang Toru Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	October 2020 (certified)
	Aek Nabara Selatan (PTPN III)	2014	Aek Nabara Selatan Estate	2014	Labuhan Batu District, Sumatera Utara Province	May 23, 2014 (Certified)
			Rantau Prapat Estate	2014	Labuhan Batu District, Sumatera Utara Province	May 23, 2014 (Certified)
			Merbau Selatan Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
			Membang Muda Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
			Labuhan Haji Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
			Bandar Selamat Estate	2014	Asahan District, Sumatera Utara Province	May 23, 2014 (Certified)
	Aek Torop (PTPN III)	2014	Aek Torop Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 17, 2014 (Certified)
	Aek Raso (PTPN III)	2014	Aek Raso Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 30, 2014 (Certified)
	Pabatu (PTPN IV)	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified on September 2015
	Dolak Ilir (PTPN IV)	2015	Dolak Ilir	2015	Simalungun, Sumatera Utara	Certified on September 2015
			Laras	2018	Simalungun, Sumatera Utara	Certified on December 2018
	Pulu Raja (PTPN IV)	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified on August 2015
	Bah Jambi (PTPN IV)	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified on April 2018
			Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018

			Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
			Bah Birung Ulu	2021	Simalungun, Sumatera Utara	Stage-1 Audit
			Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
				2021	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (30.0 Ha)
	Dolok Sinumbah (PTPN IV)	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified on April 2018 (3,757.0 Ha)
				2021	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (35.94 Ha)
			Balimbingan	2018	Simalungun, Sumatera Utara	Certified on April 2018
	Mayang (PTPN IV)	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified on March 2019
			Bukit Lima	2021	Simalungun, Sumatera Utara	Preparation
	Gunung Bayu (PTPN IV)	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified on September 2019
			Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified on September 2019
	Tinjowan (PTPN IV)	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified on March 2019
			Aek Nauli	2019	Simalungun, Sumatera Utara	Certified on March 2019
			Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified on March 2019
	Air Batu	2018	Air Batu	2019	Asahan, Sumatera Utara	Certified on May 2019
			Air Batu	2021	Asahan, Sumatera Utara	Out of Scope certification 2 <sup>nd</sup> Stage Audit
	Berangir (PTPN IV)	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified on July 2018
			Berangir	2021	Labuhan Batu Utara, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (10.0 Ha)
	Sawit Langkat (PTPN IV)	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified on June 2018
			Sawit Langkat	2021	Langkat, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (301.50 Ha)
	Pasir Mandoge (PTPN IV)	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified on October 2018

			Sei Kopas	2020	Asahan, Sumatera Utara	Certified on October 2018
			Tonduhan	2020	Simalungun, Sumatera Utara	Certified on October 2018
			Sei Kopas (HPK)	2021	Asahan, Sumatera Utara	
	Timur (PTPN IV)	2022	Timur	2022	Mandailing Natal, Sumatera Utara	
			Balap	2022	Mandailing Natal, Sumatera Utara	
	Ajamu (PTPN IV)	2021	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
			Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
			Panai Jaya	2022	Labuhan Batu Utara, Sumatera Utara	Preparation
	Sosa (PTPN IV)	2022	Sosa	2022	Padang Lawas, Sumatera Utara	Preparation
	PT Agro Sinergi Nusantara (PTPN IV)	2022	PT Agro Sinergi Nusantara	2022	Aceh Barat, Aceh	Preparation
	PT Sinergi Perkebunan Nusantara (PTPN IV)	2022	PT Sinergi Perkebunan Nusantara	2022	Morowali Utara, Sulawesi	Preparation
	Tandun (PTPN V)	2016	Tandun Estate,	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Berlian Estate	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Lindai Estate	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Lindai 98 ha	2021	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
			Sei Berlian 866 ha	2023	Tapung Hulu District, Kampar District, Riau Province, Indonesia	
	Sei Rokan (PTPN V)	2016	Sei Rokan Estate	2016	Rokan Hulu District, Riau Province, Indonesia.	Certified
	Sei Tapung (PTPN V)	2019	Sei Tapung	2019	Rokan Hulu District, Riau Province, Indonesia.	Certified
			Sei Siasam	2019	Rokan Hulu District, Riau Province, Indonesia.	Certified
			KUD Makarti Jaya	2022	Rokan Hulu District, Riau Province, Indonesia.	
			KUD Karya Mukti	2022	Rokan Hulu District, Riau Province, Indonesia.	
			KUD Dayo Mukti	2023	Rokan Hulu District, Riau Province, Indonesia.	

			KUD Tani Sejahtera	2023	Rokan Hulu District, Riau Province, Indonesia.	
	Sei Intan (PTPN V)	2019	Sei Intan	2019	Rokan Hulu District, Riau Province, Indonesia	Certified
	Tanjung Medan (PTPN V)	2022	Tanjung Medan	2022	Rokan Hilir District, Riau Province, Indonesia	-
	Tanah Putih (PTPN V)	2019	Tanah Putih	2019	Rokan Hilir District, Riau Province, Indonesia	Certified
	Lubuk Dalam (PTPN V)	2019	Lubuk Dalam	2019	Siak District, Riau Province, Indonesia	Certified
			Lubuk Dalam Plasma	2022	Siak District, Riau Province, Indonesia	
	Sei Buatan (PTPN V)	2022	Sei Buatan	2022	Siak District, Riau Province, Indonesia	
			Air Molek 1	2023	Siak District, Riau Province, Indonesia	
			Air Molek II	2023	Siak District, Riau Province, Indonesia	
			KUD Karya Darma	2023	Siak District, Riau Province, Indonesia	
			KUD Tunas Karya	2023	Siak District, Riau Province, Indonesia	
	Sei Galuh (PTPN V)	2023	Sei Galuh	2023	Kampar District, Riau Province, Indonesia	-
	Sei Pagar (PTPN V)	2019	Sei Pagar	2019	Kampar District, Riau Province, Indonesia	-
			Sei Pagar Plasma	2023	Kampar District, Riau Province, Indonesia	Certified
	Sei Garo (PTPN V)	2019	Sei Garo	2019	Kampar District, Riau Province, Indonesia	Certified
	Terantam (PTPN V)	2019	Terantam	2019	Kampar District, Riau Province, Indonesia	Certified
			Terantam 2 (725.44 ha)	2022	Kampar District, Riau Province, Indonesia	
			Tamora	2023	Kampar District, Riau Province, Indonesia	
			Sei Kencana	2023	Kampar District, Riau Province, Indonesia	
			Sei Batu Langka	2023	Kampar District, Riau Province, Indonesia	
	Rimbo Dua (PTPN VI)	2018	Rimbo Satu	2018	Jambi Province	Certified
			Rimbo Dua	2018	Jambi Province	Certified
			Batang Hari	2022	Jambi Province	
	Bunut (PTPN VI)	2022	Bunut	2022	Jambi Province	
	Ophir (PTPN VI)	2022	Ophir	2022	Sumatra Barat Province	
			Pangkalan 50	2022	Sumatra Barat Province	
	Aur Gading (PTPN VI)	2023	Durian Luncuk	2023	Jambi Province	
	Solok Selatan (PTPN VI)	2023	Solok Selatan	2023	Jambi Province	

	Tanjung Lebar (PTPN VI)	2022	Tanjung Lebar	2023	Jambi Province	
			Bukit Cermin	2023	Jambi Province	
	Bekri (PTPN VII)	2022	Bekri	2022	Lampung Province	Audited on February 2022
			Rejosari	2022	Lampung Province	Audited on February 2022
			Padang Ratu	2022	Lampung Province	Audited on February 2022
	Betung (PTPN VII)	2022	Betung	2022	Lampung Province	Certified
			Bentayan	2026	Lampung Province	
	Talang Sawit (PTPN VII)	2023	Betung Krawo	2023	Musi Banyuasin District, Sumatera Selatan Province	
	Sungai Lengi (PTPN VII)	2023	Sungai Lengi	2023	Muara Enim District, Sumatera Selatan Province	
	Kertajaya (PTPN VIII)	2022	Kertajaya	2022	Lebak District, Banten Province	
			Cisalak Baru	2022	Lebak District, Banten Province	
			Bojongdatar	2022	Lebak District, Banten Province	
	Cikasungka (PTPN VIII)	2022	Cikasungka	2022	Bogor District, Jawa barat Province	
			Sukamaju	2022	Sukabumi District, Jawa barat Province	
	Gunung Meliau (PTPN XIII)	2022	Gunung Meliau	2022	Sanggau District, Kalimantan Barat Province	
	Rimba Belian (PTPN XIII)	2023	Rimba Belian	2023	Sanggau District, Kalimantan Barat Province	
			Gunung Mas	2023	Sanggau District, Kalimantan Barat Province	
			Sungai Dekan	2023	Sanggau District, Kalimantan Barat Province	
	Parindu (PTPN XIII)	2023	Parindu	2023	Sanggau District, Kalimantan Barat Province	
	Luwu	2022	Luwu	2022	Luwu Timur, District, Sulawesi Tengah	
			Keera-Maroon		Luwu Timur, District, Sulawesi Tengah	
			Malili		Luwu Timur, District, Sulawesi Tengah	
			Asera		Luwu Timur, District, Sulawesi Tengah	
	<i>*Sources: document of Partial Verification PTPN III</i>					
1.10.2	<b>Progress of Associated Smallholders and Out growers for Certifiable Standard</b>					
	The Company didn't have associated smallholders and out growers.					



2.0	<b>ASSESSMENT PROCESS</b>
2.1	<b>Assessment Team</b>
ASA-3	<p>1. <b>Hasiholan Sihombing (Lead Auditor)</b>. Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During this audit, he assigned to verify legal aspect, land dispute, Partial Certification, worker welfare, transparency and SCCS.</p> <p>2. <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 environment, conservation and GHG aspect.</p> <p>3. <b>Sentot Adi Subandono (Auditor)</b>. Indonesia citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2020. During this assessment, verified the aspects of Best Management Practices and OHS Aspect.</p> <p>4. <b>Kiki Fadli (Auditor Trainee)</b>. Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the sustainability department in private and state-owned oil palm plantations. Has attended training on Lead Auditor ISPO, Lead Auditor RSPO, General OHS Expert, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, SMK3. During this assessment, he verified the worker welfare and transparency under supervision of Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
2.2.1	<b>Figure of person days to implement assessment</b>
ASA-3	<p>Number of auditors: 3 auditors, 1 auditor trainee          Number of days for Onsite <b>ASA-3</b>: 5 days          Number of working days for Onsite <b>ASA-3</b>: 15 Working days</p>
2.2.2	<b>Assessment Process</b>
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara V – Sei Intan Unit to 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 System for Principles and Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Public Stakeholder Notification was made on Mutu International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek</p>

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 meeting, 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

During the COVID-19 pandemic, there were several modifications to the audit due to health protocols. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities or previous land owners so that these activities are carried out by telephone. Interview with workers also carried out by phones. List of Stakeholders contacted is included as Appendix I.

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

Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).

Improvement of findings from ASA-3 findings were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-3	<p>Number of units in this certification activity is 1 (one) Mill and 1 (one) estate. The consideration for risk assessment is geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflicts, legality etc. And also, because this assessment is for onsite audit ASA-3, so auditor team determine to increase the point sample in sample unit (more than 1 Division visited during the field observation). On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Sei Intan POM</b></p> <ul style="list-style-type: none"> <li>- <b>Security.</b> Observation the activity of the acceptance of FFB.</li> <li>- <b>Weighbridge Station.</b> Observation the activity of weighing FFB.</li> <li>- <b>Grading Station.</b> Observations the activity of grading FFB and also PPE used by worker.</li> <li>- <b>Workshop.</b> Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.</li> <li>- <b>Hazardous Waste Temporary Warehouse.</b> Observation the warehouse condition.</li> <li>- <b>Chemical warehouse.</b> Observation about storage condition and material that kept in the storage</li> <li>- <b>WWTP.</b> Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.</li> <li>- <b>Water Source Reservoir.</b> Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.</li> <li>- <b>Employee Housing.</b> Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li>- <b>Empty bunch area.</b> Field observations related to empty bunch management.</li> <li>- <b>Land Application Block D8 Division 1.</b> Field observations and interviews related to aspects of BMP, K3, Environment and Employment.</li> <li>- <b>Boiler Station.</b> Field observations and interviews related to work procedure, OHS, and Labour aspect.</li> <li>- <b>Sterilizer Station.</b> Field observations and interviews related to work procedure, OHS, and Labour aspect.</li> <li>- <b>Clarification Station.</b> Field observations and interviews related to work procedure, OHS, and Labour aspect.</li> <li>- <b>Press Station.</b> Field observations and interviews related to work procedure, OHS, and Labour aspect.</li> <li>- <b>Hoisting crane Station.</b> Field observations and interviews related to work procedure, OHS, and Labour aspect</li> <li>- <b>Engine room.</b> Field observations and interviews related to work procedure, OHS, and Labour aspect.</li> <li>- <b>Hydrant simulation at Boiler Station.</b> Simulation about ydrant condition simulation and hydrant function.</li> </ul>

	<p>Sei Intan Estate</p> <ul style="list-style-type: none"> <li>- <b>Block Q17 Division 4 (HGU Pole No. 173).</b> Observation the conditions and position of legal boundary.</li> <li>- <b>Block P19 Division 4 (HGU Pole No. 174).</b> Observation the conditions and position of legal boundary.</li> <li>- <b>Block D14 Division 1 (HGU Pole No. 99).</b> Observation the conditions and position of legal boundary.</li> <li>- <b>Block C10 Division 1 (HGU Pole No. 102).</b> Observation the conditions and position of legal boundary.</li> <li>- <b>Block C06 Division 1 (HGU Pole No. 109 &amp; 110).</b> Observation the conditions and position of legal boundary.</li> <li>- <b>Riparian of Kepanasan River, block of 14/12 E and 10 E, Division of 1.</b> Observation regarding to riparian and HCV area.</li> <li>- <b>Spare part and PPE warehouse.</b> Observation minimum stock of PPE's.</li> <li>- <b>Agrochemicals Warehouse.</b> Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.</li> <li>- <b>Pesticide mixing area.</b> Observation related pesticide mixing area, PPE storage, safety aspect.</li> <li>- <b>Diesel Tank.</b> Observation of OHS, environment aspect, emergency response and fire facilities.</li> <li>- <b>Fertilizer warehouse.</b> Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.</li> <li>- <b>Firefighting warehouse and simulation of firefighting equipment.</b> Material handling observations for OHS and simulations.</li> <li>- <b>Clinic.</b> Observations and interviews of health, environmental, training, and employment facilities.</li> <li>- <b>Workshop.</b> Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.</li> <li>- <b>Landfill Block 6D Division 1.</b> Observations related to domestic waste management.</li> <li>- <b>Rinse House.</b> Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.</li> <li>- <b>Employee Housing.</b> Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li>- <b>Spraying, Block G10 Division 2.</b> Field observations and interviews related to aspects of BMP, OHS, Environment and labour.</li> <li>- <b>Harvesting, Block Q17 Division 4.</b> Field observations and interviews related to aspects of BMP, K3, and Labour.</li> <li>- <b>Spraying, Block G10 Division 2.</b> Field observations and interviews related to aspects of BMP, K3, Environment and Employment.</li> <li>- <b>Barn Owl Box.</b> Observation of BOB condition and Owl activity level.</li> <li>- <b>Fire Tower.</b> Observation of Fire Tower condition.</li> </ul>
2.3	<b>Stakeholder Consultation and Stakeholders Contacted</b>
2.3.1	<b>Summary of stakeholder consultation process.</b>
ASA-3	<p>Consultation of stakeholders for PTPN V – Sei Intan Estate held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement in Mutuagung website on 18 July 2022.</li> <li>2. Public consultation with government agencies of Rokan Hulu District (Agriculture Agency, Labor Agency, and Environmental Agency) on 2 August 2022.</li> <li>3. Public consultation by interview with locals of the nearby village (Kembang Damai and Kota Lama Village) and local contractor on 2 August 2022.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labor union and gender committee) on 2 August 2022.</li> <li>5. Consultation with NGO (WWF, Sawit Watch, Wahana Lingkungan Hidup Indonesia, dan AMAN) via email on 25 July 2022.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara V – Sei Intan</p>
2.3.2	<b>Stakeholder contacted</b>
	Please find appendix 1

2.4	<b>Determining Next Assessment</b>
	The next visit ASA-4 will be conducted eight (8) months to twelve (12) months after date of annual license.

**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Sei Intan POM – PT Perkebunan Nusantara V operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicators; two (2) Nonconformities were assigned against Minor Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidence

MUTUAGUNG LESTARI found that Sei Intan POM – PT Perkebunan Nusantara V 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 System for Principles and Criteria and RSPO Independent Smallholder Standards, Endorsed by the RSPO Board of Governors on 12 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>		
<p><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></p>		
<p><b>1.1.1</b>            The company also has a master list of shareable information, which is listed on public information register No. FMT-KBN-SIN-MR-18 which explains the types of documents that can or cannot be published, for example documents that can be published are vision and mission, sustainable palm oil policies, HCV documents, SIA documents, BPJS programs, etc.</p> <p>According to interviews with local communities and local contractors, they have received socialization and information disclosure and have known the types and methods of obtaining information from the company. The company holds a stakeholder meeting once a year to communicate and consult on procedures and policies, for example the last time was held on February 15, 2022 in the meeting room of the sub-district office which was attended by 12 participants.</p> <p><b>1.1.2</b>            Companies can show records of providing information to relevant agencies in the form of regular reports presented in the appropriate language, for example:  <b>Plantation Legality</b></p> <ul style="list-style-type: none"> <li>• Plantation progress report (LPUP) of PT Perkebunan Nusantara V (include Sei Intan Estate and Sei Intan POM) period of Semester II of 2021 has been sent to Plantation Agency of Riau Province on January 2022.</li> <li>• HGU utilization report of Sei Intan Estate – PT Perkebunan Nusantara V for the period of 2022 has been sent to Land Agency of Rokan Hulu District on 27 January 2022.</li> </ul> <p><b>Environmental Aspects</b></p>		

- The report on the management of hazardous and toxic waste for the 1st Quarter of 2022 is reported to the Rokan Hulu Regency Environmental Service on 2 April 2022.
- The report on the management of hazardous and toxic waste for the 2nd Quarter of 2022 is reported to the Rokan Hulu Regency Environmental Service on July 4, 2022.
- The report on the management and monitoring of liquid waste (POME) for the first quarter of 2022 is reported to the Rokan Hulu Regency Environmental Service on April 2, 2022.
- The report on the management and monitoring of liquid waste (POME) in the second quarter of 2022 was reported to the Rokan Hulu Regency Environmental Service on July 4, 2022.
- The report on the implementation of environmental management and monitoring (RKL-RPL) for the second semester of 2021 will be reported to the Rokan Hulu Regency Environmental Service on April 26, 2022.
- The report on the implementation of environmental management and monitoring (RKL-RPL) for semester 1 of 2021 is reported to the Rokan Hulu Regency Environmental Service on September 23, 2021.

**Labor aspects**

- Mandatory report for the 2022 period to the Ministry of Manpower of the Republic of Indonesia on 17 June 2022.
- Report on the use of workers for temporary appointment work agreement, for example the period of 2022 to the Riau Province Manpower Office on January 4, 2022.

**OHS aspects**

- Sei Intan OHS Committee - Quarterly Report 3, 2021 was reported to the Manpower and Transmigration Office of Riau Province on 13 June 2022.
- Sei Intan OHS Committee - Quarterly Report 4, 2021 was reported to the Manpower and Transmigration Office of Riau Province on 13 June 2022.
- Sei Intan OHS Committee - Quarterly Report 1, 2022 was reported to the Manpower and Transmigration Office of Riau Province on 13 June 2022.

**1.1.3**

The company shows procedure No. 38-SOP/BSP/PTPN-V/2016 revision 0 concerning the management of public information services which includes a flow chart for requesting public information services, a flow chart for managing objections and a flow chart for reporting public information services for PTPN V.

The company has shown the external and internal logbook of Mill/Estate Sei Intan for the period of 2022, for example an internal letter on May 6, 2022 with No. 5.TEP/A/M/300/V/2022 from the Engineering and Processing Section regarding the follow-up to the team visit inspectorate which is then replied to be prepared and implemented in the estate and mill.

**1.1.4**

The company shows documents related to the consultation and communication procedures contained in the SOP for Handling Public Complaints and Dissatisfaction No. 33-SOP/PEM/PTPN-V/2020 issued on March 31, 2020 which describes the process for handling complaints and dissatisfaction from stakeholders.

The company has conducted socialization to stakeholders regarding the procedures for public complaints and dissatisfaction, for example the socialization conducted to stakeholders on February 15, 2022 in the meeting room of the sub-district office which was attended by 12 participants.

Based on interviews with representatives of village communities and contractors such as the Village Head of Kembang Damai, the Village Head of Kota Lama, the supplier of FFB, and the Plant Maintenance Contractor, it is known that the Company has conducted socialization with stakeholders regarding the mechanism for requesting information.

**1.1.5**

The company has shown a document related to the list of stakeholders owned by the company which was updated on August 10, 2021. The document explains the name of the agency, address, official name and contact number of the person. The implementation of this stakeholder is as follows:

- The government (district, sub-district and village) has 14 stakeholders

<ul style="list-style-type: none"> <li>• Suppliers of 21 stakeholders.</li> <li>• NGOs and youth organizations as many as 5 stakeholders</li> <li>• Indigenous peoples as many as 2 stakeholders</li> <li>• Internal stakeholders as many as 2 stakeholders.</li> </ul>	
<b>Status: Comply</b>	
<b>1.2</b>	
<b>The unit of certification commits to ethical conduct in all business operations and business transactions.</b>	
<b>1.2.1</b>	
<p>The company has a code of conduct that was set on January 29, 2020 which was ratified by the President Director and President Commissioner which states, for example:</p> <ul style="list-style-type: none"> <li>• In chapter II.8 point 1, the company's personnel in carrying out their business do not recognize the practice of bribery and commissions.</li> <li>• In chapter IV.1 point 2, the company refuses any intervention from any party in the context of the recruitment, transfer, promotion and demotion process.</li> </ul>	
<b>1.2.2</b>	
<p>Based on interviews with management, it was stated that the company has an internal audit mechanism to ensure regulatory compliance, implementation of policies and ethical business practices as a whole carried out by the internal supervisory unit of the board of directors' office. In addition, the company also has a violation reporting system that is listed in the violation reporting system document published on June 18, 2020 which was approved by the Director, where reports can be submitted via SMS, email, website, PO BOX and reporting box.</p>	
<b>Status: Comply</b>	
<b>PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS</b>	
<b>2.1</b>	
<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	
<b>2.1.1.</b>	
<p>The company has list of regulations of 2022 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:</p>	
<b>Land legality</b>	
<p>The company has a Plantation Business Permit for PTPN V Riau based on Riau Governor's Letter No. 525/EkBang/08.07 dated 14 May 2004 for an area of 76,733,972 Ha. The land includes the Sei Intan Estate with a mill capacity of 30 tons of FFB/hour.</p>	
<b>Environmental</b>	
<ul style="list-style-type: none"> <li>• The company has an Environmental Evaluation Study (SEL) document which was approved by the Ministry of Agriculture of the Republic of Indonesia on February 9, 1994 with Number Re.220/273/B/II/94.</li> <li>• The company has a temporary storage permit for hazardous and toxic waste based on the Decree of the Regent of Rokan Hulu Number Kpts.503/DPMPSTP-IPSLB3/12/IX/2018 dated 27 September 2018 with a validity period of 5 years.</li> <li>• The company already has a waste water disposal permit by application to the ground in the form of utilizing waste water from the palm oil industry on land in oil palm plantations with a Land Application system in accordance with the Decree of the Regent of Rokan Hulu Number KPTS.503/DPMPSTP-IPAL/04/VI/2020 in May 20, 2020 with a validity period of 5 years.</li> <li>• The company already has a water resource exploitation permit in accordance with the Decree of the Minister of Public Works and Public Housing Number 454/KPTS/M/2020 on May 6, 2020. There is no validity period in the permit.</li> </ul>	
<b>Labor</b>	
<ul style="list-style-type: none"> <li>• Providing wages in accordance with the minimum wage set by the government</li> </ul>	

- Reporting Fixed Time Employment Agreement workers and Temporary Appointment Work Agreement workers to the relevant agencies.

**BMP and OHS Aspect**

Based on field observations at Sei Intan, as well as interviews with workers, it is known that plantation and mill management has implemented some compliance with Indonesian laws and regulations. These revealed that The CH has carried out replanting without burning, has not replanted in river border areas, and planted using certified seeds. The results of the interview revealed that The CH did not use paraquat in weed control, but used herbicides registered with the Director General of Fertilizers and Pesticides.

Sei Intan POM already has licensed OHS operators such as Hoisting Crane, Boilers, Engine rooms operators, and has an Electrical OHS Expert. The CH also has an OHS Committee which is approved by the Department of Manpower and Transmigration of Riau Province.

**2.1.2**

Procedure of legal requirement which presented in document SOP-HKM-013, revision 00, dated 27 December 2021 mentioned that Head of Law has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the Head of Law required to actively check and make coordination with Government Agencies or Institutions. Internal audit of regulations compliance is conducted annually as example on 8 June 2022. Regarding the evidence of evaluation of legal compliance from contractors collaborating with the company, is explained in more detail in indicator 2.2.2

**2.1.3**

Procedure of legal boundary stakes monitoring and maintenance is presented in document No. SOP-HKM-009, revision 00 dated 15 January 2020. Procedure mentioned that maintenance was carried out by officer appointed by Assistant. Monitoring the boundaries of the HGU is done every semester.

The company shows the HGU stake monitoring document which is carried out every month. The last HGU stake monitoring was carried out in July 2022 at Sei Intan Estate. The report on the inspection and maintenance of the boundary stakes has provided complete information regarding the number of stakes, the state of the stakes, the location of the stakes, the coordinates of the stakes and corrective actions as well as the target time for repairs if there are damaged or missing stakes. In the monitoring report, it is known that all HGU stakes are available.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Sei Intan Estate (Stakes No. 173, 174, 99, 102, 109 and 110), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. Land boundaries with outsiders are clear, such as a large boundary road and trench that borders the HGU area. There is no indication of land use outside the HGU.

**Status: Comply**

**2.2**

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

**2.2.1.**

The company already has a list of contractors with details as follows:

1. PT Nabilah Putri Tunggal with the type of work of fertilizing and transporting fertilizer.
2. PT Aqila Perdana with the type of maintenance work.
3. PT Daero Ganda Saratama with the type of work to transport CPO.
4. PT Wahana Aditya Perkasa with the main type of transportation work.
5. PT Mujur Jaya Sentosa with the type of work to transport FFB.

In addition, the company also has a third fruit supplier of 15 suppliers with details of 1 direct farmer namely PT Sugi Indah Sejati and 14 collectors, for example:

1. Ruffina
2. Anton



3. Iswandi
4. Muktar
5. Nopra weldi

**2.2.2-2.2.3**

The company shows a letter of agreement with a FFB supplier, for example Letter of agreement No. 5.LSTA/SP/49/X/2021 regarding the purchase of FFB with a supplier with initials A, in the agreement there are also clauses for compliance with regulations, including:

- Article 7 paragraph 2 states that the second party (the FFB supplier) who has been confirmed as a taxable entrepreneur is required to deposit a value added tax of 10% to the state treasury office in accordance with applicable regulations.
- Article 11 paragraph 1 states that labor regulations regarding the supervision of work safety, occupational health and health facilities in connection with the work carried out as well as maintaining security and order, abuse of illegal drugs, gambling and liquor around the work location.
- Article 13 states that the parties are committed to implementing sustainable palm oil policy standards including complying with applicable laws and regulations, respecting human rights, ethical behavior in business, preventing forced labor practices, ensuring FFB is not from protected areas, prohibiting children from working, apply minimum wage and equip with PPE, etc.

The company also shows the implementation of the clauses of the company's cooperation with contractors, for example PT Nabilah Putri Tunggal which among others shows:

- A list of 17 employees for the period until June 2022 and a work agreement letter.
- BPJS card for contractor workers and proof of payment.
- Completeness of PPE used when working.

**Status: Comply**

**2.3**

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

**2.3.1**

Based on document verification, it is known that the company receives FFB directly from the nucleus plantation and PTPN V Group Company. The sources of FFB come from:

- PTPN V-unit Sei Intan → Certified RSPO
- PTPN V-unit Sei Berlian → Certified RSPO
- PTPN V-unit Sei Rokan → Certified RSPO

Based on document verification, it is known that the company receives FFB directly from suppliers who have been certified RSPO.

The audit team has also verified OFI related to the previous assessment. The results of document verification when the ASA 3 assessment is carried out directly by the FFB supplier is currently from a PTPN V unit that has been RSPO certified.

**2.3.2**

Based on document verification, it is known that the company also receives FFB indirectly from agents and groups of Independent Smallholders around the company. as for the source of FFB comes from:

- PT Sugih Indah Sejati (Private Land) → Uncertified RSPO
- Mukhtar (Agent) → Uncertified RSPO
- Iswandi (Agent) → Uncertified RSPO
- Ruffina (Agent) → Uncertified RSPO
- Silvia Devi (Agent) → Uncertified RSPO
- Anton (Agent) → Uncertified RSPO
- Gusrianto (Agent) → Uncertified RSPO
- Nopra Weldi (Agent) → Uncertified RSPO

Companies can show geolocation information and proof of land ownership from FFB suppliers, for example the following is information data from FFB suppliers:

- Mukhtar supplier with coordinates point N 00°46'48.49"/ E 100°35'15.363" with land legality in the form of SKGR. Examples of farmers supplying FFB to Agent Mukhtar are a.n Sugiyatno with coordinates point of Latitude 0722542 and Longitude 100.687087 with land legality in the form of SHM.
- Supplier Silvia Devi with coordinates point N 00°81'17.6"/ E 100°72'63.40" with land legality in the form of SKGR. Examples of farmers supplying FFB to Agent Mukhtar are a.n Maju Silaban with coordinates for Latitude 0810352 and Longitude 100.628962 with land legality in the form of SKGR.
- Ruffina supplier with coordinates point N 00°83'27.3"/ E 100°69'35.30" with land legality in the form of SKGR. Examples of farmers supplying FFB to Agent Mukhtar are A.n Sukri with Latitude coordinates 0792624 and Longitude 100.605628 with land legality in the form of SKGR.
- PT Sugih Indah Sejati with coordinates point N 00°56'52.8"/ E 100°41'19.6" with land legality in the form of SKGR. The NIB of PT Sugih is 0288010092819.

Based on the verification of the Auditor Team, the indirect supplier data has matched with the incoming FFB amount. The company can show geolocation, legality and licensing information from FFB suppliers.

The audit team has also verified OFI on previous assessments related to evidence of land ownership status of third-party suppliers. The results of the verification show that the company can show proof of land ownership status from the farmers who supply FFB to the Agent. For example, land legality a.n Sugiyatno with SHM Number 05.05.10.1.00381; a.n Sukri with Number SKGR 622/SKGG-KDS/VII/04; a.n Advanced Silaban with Number SKGR 593.83/SKGG/KL-XII/318.

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 CH has prepared a Long-Term Plan for a planning period of 5 years (2020 to 2024) which has been approved by the Manager. Includes area statement projections, non-plant investment, plant maintenance, non-plant maintenance, plant production, POM production, plant production cost of goods, and POM cost of production. For the 2022 projection, including the production of 76,000 tons of FFB, 17,100 tons of CPO, 22.5% OER, and 4.5% KER.

**3.1.2**

Based on a review of the Long-Term Plan document and interviews with management representatives, it is known that in 2022 a replanting area of 179 ha is planned. In the Time Schedule document, replanting is planned in May 2022, for the 1997 planting year in Blocks K7 (19 ha), K9 (40 ha), K11 (40 ha), K13 (40 ha), K15 (40 ha). However, until the audit is carried out, replanting has not been carried out. The results of interviews with management representatives, management's approval to start replanting in August 2022.

**3.1.3**

The CH has conducted periodic management reviews. The year 2021 is stated in the document of the Quality Management, Environmental, OHS, and SCCS Management Review Meeting, as well as the Halal Assurance System. The meeting was held on November 30, 2021, which was attended by managers, Head Assistant, Head of Masinis, Assistants, and related workers.

The meeting agenda includes discussing:

- Policy evaluation
- Internal and external issues
- Internal audit results,
- Communication with stakeholders including complaints
- Achievement of the goals, objectives of the OHS program, Quality, and Environment
- Follow-up to previous management reviews.

	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 management unit has developed and implemented an action plan for continuous improvement and it is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification, such as: <ul style="list-style-type: none"> <li>• The company no longer uses pesticides with the active ingredient paraquat.</li> <li>• The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.</li> <li>• Management and monitoring of fires in company border areas that benefit the community.</li> <li>• The use of renewable fuels and the use of fertilizers and pesticides are in accordance with the recommendations to reduce the use of fossil fuels.</li> <li>• Waste management and monitoring through WWTP Management, testing the quality of the effluent and reporting it to the relevant agencies.</li> <li>• Air quality management and monitoring through road maintenance, air quality testing and reporting to relevant agencies.</li> <li>• Management and monitoring of groundwater through testing ground water quality and reporting it to the relevant agencies.</li> <li>• Hazardous waste management through the Storage of Hazardous and Toxic Waste and Waste Management and Monitoring of Hazardous and Toxic Materials.</li> <li>• Greenhouse Gas (GHG) Management. Implement a zero-burning policy, utilization of EFB, shells and fiber as renewable energy, regular engine maintenance, and regular emission quality tests.</li> <li>• Create a premium calculation application to simplify the calculation of employee premiums and reduce paper usage.</li> <li>• The company also makes applications for approval of correspondence in speeding up the follow-up of letters received.</li> <li>• The company no longer uses pesticides with the active ingredient paraquat.</li> <li>• The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.</li> </ul> <b>3.2.2</b> The company already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows: <ul style="list-style-type: none"> <li>• Name of RSPO Member: PT Perkebunan Nusantara III</li> <li>• RSPO Membership Number: 1-0211-16-000-00</li> <li>• Name of Certified Audit: Sei Intan Palm Oil Mill PTPN V</li> <li>• Name of Certification Body: Mutu Agung Lestari</li> <li>• RSPO Palm Trace ID Number: RSPO_PO1000006147</li> <li>• Number of Mill: 1</li> <li>• Number of Certified Estate: 1</li> <li>• HCV Area: 2.63 Ha</li> </ul>		
	Status: Comply	
<b>3.3</b> <b>Operating procedures are appropriately documented, consistently implemented and monitored.</b>		
<b>3.3.1</b> The CH has procedures/work instructions related to all operational activities in the field of agronomy/plantation and FFB processing that have not changed from the previous audit, namely:  <b>Agronomy</b> <ul style="list-style-type: none"> <li>• SOP Replanting (No. Document No. 03-SOP/TAN/PTPN-V/2010);</li> <li>• WI Cutting and Collecting Oil Palm Stems (Document No. 11-IK/TAN/PTPN-V/2010);</li> <li>• WI Soil Processing in Oil Palm Replanting Areas (Document No. 12-IK/TAN/PTPN-V/2010);</li> </ul>		

- WI Planting Palm Oil Planting Points (Document No. 13-IK/TAN/PTPN-V/2010)
- SOP for Procurement of Oil Palm Seeds (Document No. 01-SOP/TAN/PTPN-V/2010)
- WI Palm Oil Nursery in Pre-Nursery (Document No. 04-IK/TAN/PTPN-V/2010).
- WI for Maintenance of Oil Palm Seeds in Pre-Nursery (Document No. 05-IK/TAN/PTPN-V/2010)
- WI Oil Palm Nursery in Main Nursery (Document No. 06-IK/TAN/PTPN-V/2010)
- WI Oil Palm Maintenance in Main Nursery (Document No. 07-IK/TAN/PTPN-V/2010)
- WI Palm Oil Seed Selection (Document No. 08-IK/TAN/PTPN-V/2010)
- WI Measurement of Vegetative Growth of Oil Palm Seeds in Main Nursery (Document No. 09-IK/TAN/PTPN-V/2010)
- WI Planting Palm Oil Planting Points (Document No. 13-IK/TAN/PTPN-V/2010)
- WI CC Planting on Replanting (Document No. 14-IK/TAN/PTPN-V/2010)
- WI for Individual Terrace (Document No. 21-IK/TAN/PTPN-V/2010)
- WI Elongated Bunket Manufacturing (Document No. 22-IK/TAN/PTPN-V/2010)
- WI Individual Bunket Production (Document No. 23-IK/TAN/PTPN-V/2010)
- SOP for Maintenance of Immature Oil Palm Plants (Document No. 05-SOP/TAN/PTPN-V/2010).
- WI Maintenance of Oil Palm Mature Plants (Document No. 13-SOP/TAN/PTPN-V/2010).
- WI Consolidation of Oil Palm Plants (Document No. 19-IK/TAN/PTPN-V/2010).
- WI Palm Oil Plant Insertion (Document No. 30-IK/TAN/PTPN-V/2010).
- WI Palm Oil Principal Inventory (Document No. 31-IK/TAN/PTPN-V/2010).
- WI Trench Maintenance (Document No. 62-IK/TAN/PTPN-V/2010).
- WI Weeding Manual circle (Document No. 17-IK/TAN/PTPN-V/2010).
- WI LCC Maintenance (Document No. 18-IK/TAN/PTPN-V/2010).
  - WI Wiping, Circle Weeding, Manual maintenance (Document No. 63-67-IK/TAN/PTPN-V/2010).
- WI Preparation of Fertilizer Recommendations (Document No. 16-SOP/TAN/PTPN-V/2010).
- WI Fertilization Implementation (Document No. 18-SOP/TAN/PTPN-V/2010).
- WI caterpillar pest control includes: EWS, effective inspection, chemical control of caterpillars, extracting cocoons and butterfly torches (Document No. 88-IK/TAN/PTPN-V/2010).
- WI Oryctes Pest Control (Document No. 89-IK/TAN/PTPN-V/2010).
- WI Rat Pest Control (Document No. 90-IK/TAN/PTPN-V/2010).
- WI Termite Pest Control (Document No. 91-IK/TAN/PTPN-V/2010).
- WI Control of root rot disease Ganoderma sp. (Document No. 94-IK/TAN/PTPN-V/2010).
- SOP for Harvesting (Document No. 11-SOP/TAN/PTPN-V/2010)
- WI Harvest and pick up of loose fruits (Document No. 53 IK/TAN/PTPN-V/2010)
- WI Palm Oil Harvest Inspection (Document No. 54 IK/TAN/PTPN-V/2010).
- WI Ripe Fruit Density Calculation (KBM), No. Document 55 IK/TAN/PTPN-V/2010.
- SOP for Transporting FFB from the plantation to the POM (Document No. 12/SOP/TAN/PTPN-V/2010).
- WI Transportation of FFB from the Plantation to the POM (Document No. 59-IK/TAN/PTPN-V/2010).
- SOP for FFB Receipt at PTPN V (Document No. 06-SOP/PGL/PTPN-V/2010).
- WI FFB Weighing (Document No. 126-IK/PGL/PTPN-V/2010)
- WI FFB Sorting at mill (Document No. 27-IK/PGL/PTPN-V/2010)

**Mill Processing**

- SOP for Machine Maintenance and Periodic Factory Installation (Document No. 04-SOP/PGL/PTPN-V/2010)
- SOP for Palm Oil Processing in the mill (Document No. 05-SOP/PGL/PTPN-V/2010)
- SOP for Process Control of Processing, Quality, Loss of Oil and Palm Kernel at the mill (Document No. 08-SOP/PGL/PTPN-V/2010)
- WI No. 186 IK/PGL/PTPN-V/2010 concerning Control of EFB, fiber and sludge spills
- SOP No. 13-SOP/PGL/PTPN-V/2010 regarding Mill Wastewater Management Through Land Application System.
- SOP No. 15-SOP/PGL/PTPN-V/2010 regarding Waste Pond management in mills.
- SOP for Operation of Methane Trap Mill Wastewater Management Installation.
- WI No. 190 IK/PGL/PTPN-V/2010 regarding mill waste management through the Land Application system.
- WI No. 197 IK/PGL/PTPN-V/2010 about Waste Pond management in mill

**3.3.2-3.3.3**

The CH already has a system that ensures the consistency of SOP implementation for both workers and contractors. For contractors, a contractor evaluation has been carried out which has been discussed in indicator 2.1.2.

One form of evaluation carried out, such as the application of FFB grading at collection points in Blocks and POM. The results of field observations in Block Q17 Division 4 revealed that FFB at the collection point was graded by *Kerani* before being transported to POM.

The CH also demonstrates the implementation of Internal Audit on a regular basis. One of them is shown in the report on the results of the Internal Audit Unit inspection on October 4 - 8, 2021. The results of the audit include:

- Crop fields, such as crop rotation of more than 7 days.
- Field of Processing Engineering, including those related to housekeeping and PKO delivery.
- Plant Administration, including related to assets and payment of retribution.

The results of interviews with management representatives revealed that the company had taken corrective actions related to the results of the internal audit.

**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**

There are no additional new operating areas. The company has carried out an independent and participatory environmental and social impact assessment by involving the stakeholders listed in several documents, namely:

**Environmental Aspect**

- The company has an Environmental Evaluation Study (SEL) document which was approved by the Ministry of Agriculture of the Republic of Indonesia on February 9, 1994 with Number Re.220/273/B/II/94. The scope and documents of SEL include: POM capacity of 30 tons of FFB/hour, The area for the Sei Diamond location is 9,171 ha.
- The Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) for Sei Intan Oil Palm Plantation and Palm Oil Processing Mill were refined in the Central Commission's AMDAL letter from the Ministry of Agriculture No 1244/AMDAL/II/1994 dated 31 January 1994 and was approved on 24 June 1994 with number 001/RKL-RPL/BA/VI/94 is approved by the Ministry of Agribusiness of the Republic of Indonesia.
- The company also has a recommendation for revision of the PTPN V RKL & RPL Document by the Environmental Agency of Rokan Hulu Regency number 660.2/BLH-PDL/200/2007 dated June 25, 2007.

**Social Aspect**

The company shows the SIA document which was carried out by the Bina Alam Lestari Team carried out in 2013. The SIA Preparation Team consisted of 4 people with the team leader Handian Purwawangsa S.Hut, M.Si; experienced in carrying out Social Impact Assessment studies since 2002. The total surveyed villages were 12 villages in Rokan Hulu Regency, Riau Province. Located in Pagaran Tapah Village, Kembang Damai Village, Kota Lama Village, Tandun Village, Bono Tapung Village, Dayo Village, Sei Kuning Village, Suligi Village, Air Panas Village, Pandalian Village, Bengkolan Salak Village and Ngaso Village. Data collection through secondary data , primary data, focus group discussions and interviews with 2 approaches (structured and semi-structured).

A public consultation was conducted on June 12, 2013 involving the community around the PTPN V Sei Rokan SBU located at Mess SRO. The 72 stakeholders who attended consisted of: Community leaders from Ngaso Village, Binmas Pagaran Tapah, Traditional Head of Ngaso Village, Old Town Village Head, Head of Kembang Damai Village, Sector Police, Dayo Village, Bono Tapung Village, Hot Water Village, Pandalian Village, Tandun Village, Suligi Village, Bengkolan Salak Village, community leaders from Sei Kuning Village, District Secretary, Koramil Captain, and others (Evidence of attendance list documentation).

SIA documents include:

- Characteristics of the community → socio-economic conditions of the community, meeting the basic needs of the village community around the Sei Rokan SBU plantation, food needs, water needs, clothing needs, housing needs & equipment, boat building needs, firewood needs, animal feed needs and medicines.
- Characteristics of meeting the basic needs of the community around the Sei Rokan SBU plantation area.
- Strategic issues → tenure, related to the environment, socio-economic, and expectations or program proposals from the community.
- Corporate social activities and impact analysis.
- Employment → organizational structure, number & qualifications of TK, trade unions, labor regulations, regulations for the use of PPE, and employee welfare.
- Stakeholder analysis
- Gap analysis
- Social management plan of SBU (Strategic Business Unit) Sei Rokan PTPN VI Riau.

Based on document verification, it is known that the social and environmental impact assessment has been carried out independently and participatively by involving affected stakeholders, including impact assessments from smallholder schemes.

The results of field observations during the audit activity show that all of the company's operational activities have been included in the company's environmental documents.

Based on interviews with the village of Kembang Damai, it is known that the social impacts of the existence of companies such as partnerships with business actors to provide business opportunities to the community, CSR, job opportunities, etc. These social impacts have also been identified in the SIA Document, Environmental Document, as well as the company's social impact management plan.

Based on document verification, it is known that the scope of the social impact assessment has covered all villages, farmers, and has involved internal workers.

#### 3.4.2

The company already has an environmental and social management and monitoring plan, namely

##### Environmental Aspect

The environmental management and monitoring plan is in accordance with the revised RKL & RPL PTPN V document by the Environmental Agency of Rokan Hulu Regency number 660.2/BLH-PDL/200/2007 dated June 25, 2007, namely:

- Operational activities of Sei Intan Mill → employee noise level set at ± 60 DbA & Ministry of Environment Decree No. 48 of 1996 regarding noise level quality standards. Testing once a year.
- Decrease in air quality in Mill Boiler and Genset operations every 6 months.
- WWTP management once a month.
- Decrease in river water quality every 6 months.
- Disturbance to aquatic biota every 6 months.
- Potential soil pollution in the land application area once a year.
- Potential groundwater contamination is located at monitoring wells every 6 months.
- Land clearing, maintenance of replanting plants.
- Increased erosion rates every 1 time in a year.
- Decrease in soil fertility once a year.
- Pests and plant diseases every 6 months.
- The potential for land fires is carried out at any time in locations that are prone to fire, especially during the dry season.
- Community unrest by conducting interviews with community leaders, village officials and residents around the Sei Rokan Group plantation area once a year.
- Employment opportunities and employment opportunities during plantation and mill operations.

Based on document verification and the results of field observations during audit activities, it is known that all company activities have been listed in the environmental management and monitoring plan documents owned.

**Social Aspect**

The company already has an SIA management and monitoring plan for the period 2021-2022 which is carried out based on the results of reviews and consultations with stakeholders such as the village community around the Sei Rokan Group (including the Sei Intan unit) namely Kembang Damai Village, Ngaso Village, Tandun Village, Dayo Village, Tandun Village West, Yellow River Village, Hot Water Village; and Employees conducted in December 2020. The SIA management and monitoring plan is as follows:

- Stabilization of the plantation area by monitoring the HGU stakes and maintaining communication with the village government and community leaders.
- Improvement of the environment by reducing the negative impact of waste pollution from the Mill.
- Social and economic activities by conducting equal distribution and CSR.
- Employment by improving employee facilities and increasing employee discipline in wearing PPE.

The SIA management plan, which was prepared based on the results of consultations with stakeholders such as local communities, plasma farmers, and employees, has covered all of the company's operational activities. This is evidenced by the SIA management plan which contains the social impacts of the company's operations on the affected stakeholders.

Based on interviews with Kembang Damai Village, it is known that the social impact of the existence of companies such as partnerships by trying to provide business opportunities to the community, as well as CSR. Both impacts have been covered in the SIA study document.

**3.4.3**

The Company has implemented environmental and social management and monitoring plans, namely:

**Environmental Aspect**

The Company has implemented environmental and social management and monitoring plans, namely:  
 The company has implemented an environmental management and monitoring plan for the 1st and 2nd semesters of 2021. The environmental management and monitoring plan is in accordance with its environmental documents. The results of the verification of the implementation of the environmental management and monitoring plan for semesters 1 and 2 of 2021 are in accordance with the directions of the environmental documents owned. In general, the results of environmental management and monitoring are in accordance with the provisions. The company has also conducted evaluations such as trend evaluation, critical level evaluation, and compliance evaluation. There is a BOD level in the monitoring well test results that tend to increase but still meet the required quality standards. Based on the results of interviews with the surrounding community, information was also obtained that there was no environmental pollution by the company. In addition, the results of interviews with the Rokan Hulu Regency Environmental Service also explained that the company had carried out environmental management and monitoring and reported the results of environmental management and monitoring implementation to the Environment Agency.

**Social Aspect**

The company has implemented the SIA management and monitoring plan for the 2021 period. The plans that have been implemented have been in accordance with the SIA management and monitoring plan. Some examples of the implementation of the AIS management and monitoring plan are as follows:

- Occupational Health and Safety. The company has implemented this impact by carrying out training and socialization of OHS procedures for each type of work.
- Employment. The company already has labor facilities such as housing, water, and has provided PPE to employees.
- CSR. The company has implemented CSR programs in accordance with the programs prepared based on the aspirations of the community.

The company has also reviewed the SIA management and monitoring plan, which was carried out together with the surrounding community and workers, as evidenced by the minutes of reviewing the SIA management and monitoring plan along with the attendance list. Questionnaires were carried out. The review was carried out in the December 2020 period to see the suitability of the plan with actual conditions. The next review will be held in December 2022.

	<b>Status: Comply</b>	
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**3.5**

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

**3.5.1.**

**Recruitment, selection and admission procedures**

The recruitment, selection and acceptance procedures are regulated in the Collective Bargaining Agreement for the period 2022-2023 article 11 and the SOP for Recruitment of Manpower with No SOP-SDM-019 issued on January 15, 2020 which explains that regarding the recruitment, selection and acceptance of fixed time employment agreement, temporary appointment work agreement, daily workers, outsourced workers and professional workers.

**Promotion procedure**

The promotion mechanism is regulated in the Collective Bargaining Agreement for the period 2022-2023 article 14 which explains that the assessment is carried out objectively based on the reality and capabilities and performance of employees.

**Retirement procedure**

The pension mechanism is regulated in the Collective Bargaining Agreement for the period 2022-2023 article 62 which explains that the normal retirement age limits include 55 years for the IA-IID group and 56 years for the IIIA-IVD group and Article 63 in the Collective Bargaining Agreement also explains the old-age benefits for retirees in accordance with working period.

**Termination procedure**

The mechanism for termination of employment is regulated in the Collective Bargaining Agreement for the period 2022-2023 article 73 which explains regarding termination of employment which consists of 2 categories, namely respectful dismissal and dishonorable dismissal.

Based on interviews with medical personnel, Mill's production crew and spray workers, it was stated that they were aware of the procedures set out in the Collective Bargaining Agreement related to recruitment, promotion, retirement and termination of employment.

**3.5.2**

The company has carried out employment procedures and has records, for example:

- The company shows new employee acceptance documents such as information on job vacancies as new employees, analysis and assessment at the workshop on November 3, 2021 which will then be announced to every applicant who passes via sms to become a prospective employee, for example on behalf of ARNF for the position of laboratory analyst..
- Decision letter for promotion, for example with SK No. S-5/DBR/SK/08/IV/2022 on April 14, 2022 which announced promotions for 2 employees from strata II to strata III.
- Decree No. 5/SDM/SK/741/VII/2021 regarding the honorable dismissal with pension rights to employees with the initials IS on 30 June 2021 and the provision of old-age compensation in accordance with the employee's service period.

Status: Comply

**3.6**

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

**3.6.1.**

The CH has presented the HIRAC document which was updated in July 2022. The HIRAC document has identified potential hazards in all POM and plantation operations, and their control.

**PPE distribution**

- The company has demonstrated:
  - Records of PPE distribution carried out on November 25, 2021 to 17 processing workers.
  - List of PPE Stock as of July 25, 2022, it is known that the company does not have stock of safety shoes.
- Based on interviews with management representatives revealed that the last PPE distribution was November 2021.
- Based on interviews with workers in plantations and mills that PPE is replaced every 1 year.



**Reference**

- PTPN V PPE Standard List document, it is known that the standard for foot protection is as follows:
  - The processing section is safety shoes with a service life of 6 months.
  - The harvester parts are boots with a service life of 6 months.

**Spray Kep Storage**

- Based on field observations at the Rinse House Division 2, it is known that there are 2 spare spray Kep, 6 glasses, 6 aprons, and 6 wear packs.
- interviews with workers revealed that the spray kep was brought back to their homes to be charged. This is done because there is no electrical installation available at the rinse house.

**Reference**

- WI PTPN V Sei Diamond Plantation Unit number 64-IK/SIN/PTPN-V/2019 Revision 1 dated January 2, 2019, regarding operational instructions, it is regulated that after spraying, the Kep is cleaned in the rinse room, then handed over to the Division Crew.
- WI for the use of the rinse room number IK-KBN-SIN-AFD revision 0, effective date January 1, 2020, it is regulated that the electric sprayer, after being rinsed, is charged in the rinse room.
- Document List of Potential Hazards Identification and OHS Risk Assessment (discussion of parts of the oil palm plant) it is known that after rinsing the sprayer is stored in the rinse room.

Based on the evidence above, it can be concluded that:

1. The period of use and replacement of PPE is not in accordance with the company's standard for replacing PPE.
2. The storage of the sprayer is not in accordance with the company's IK and HIRAC.

**This becomes Non-Conformity No. 2022.01 with Major category.**

**3.6.2**

The CH has conducted periodic management reviews. The year 2021 is stated in the document of the Quality Management, Environmental, OHS, and SCCS Management Review Meeting, as well as the Halal Assurance System. The meeting was held on November 30, 2021, which was attended by managers, Head of Assistant, Head of Masinis, Assistants, and related workers. Several things were discussed, including those related to achievement of the goals, objectives of the OHS program, Quality, and Environment

Based on interviews with management revealed that the PKS machine has been tested for inspection, to mitigate the risk of OSH. The results of field observations at the PKS also found that the machine could operate properly and there were no complaints from workers regarding machine damage and safety aspects as a result of operating it.

POM machine operators already have an OHS license, which contains material, one of which is safety work. For example, the Engine Room Operator has received training and has an Engine Room OHS license.

OHS Committee meetings are held every month. Several things were discussed at the June 2022 meeting, including the dangers of covid 19, housekeeping in the bathroom, and OHS warnings in the POM and estate areas.

3.6.1	<b>Status:</b> <b>Non-Conformity No. 2022.01 with Major category</b>	
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**3.7**

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

**3.7.1 and 3.7.2**

The company has a training program for 2021 and 2022 consisting of:

- OHS training, namely first aid training, emergency response simulation, work accident reporting training, etc
- System implementation training, namely SCCS training, gender committee training, training on handling hazardous and toxic waste, etc
- Socialization, namely socialization of company policies, socialization of collective labor agreements, code of conduct, etc

Training programs that have been realized in 2021-2022, for example:

- Initial ASD participated in the production power aircraft operator training in 2021 with License No. 10521/PM/PTP/VIII/2021.
- Initial E participated in the training of lift and transport aircraft operators in 2021 with License No. 108503-OPK3-OC/PAA/VIII/2021.
- Initial PS participated in the training of lift and transport aircraft operators in 2021 with License No. 108504-OPK3-OC/PAA/VIII/2021.
- Initial PS participated in the training of lift and transport aircraft operators in 2022, but is still waiting for a certificate to be issued.
- Collective Bargaining Agreement socialization on April 13, 2022, which was attended by 16 people.
- Socialization on handling complaints from FFB suppliers on June 13, 2022, which was attended by 4 people.

Based on the document, it is known that the trainees included are company workers, third party workers, plasma farmers, FFB suppliers, transportation and local communities.

**3.7.3**

The unit of certification showed socialization about the supply chain to employees which was last conduct on 18 April 2022. The minutes explained the procedures for managing certified including the responsibilities for each of the personnel who handle products.

The results of interviews with Head of Administration, weighbridge operator in POM and FFB administration in Estate showed that workers have already known the duties and responsibilities of each in the implementation of SCCS in accordance with the procedure and have been able to explain well about the management of certified and uncertified products, especially regarding the origin of the FFB source.

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1 and 3.8.2**

Based on document verification, 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 separation of FFB and products (CPO and PK) from certified and uncertified sources.

**3.8.3**

Estimated certified product recorded in the last assessment report. The estimates of certified production for the next license period describe at ASA-3 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

Products	Last Year Projected Certified Volume (17 Sept 2021 – 16 Sept 2022) (MT)	Last Year Actual Certified Volume (July 2021 to June 2022) (MT)
FFB Certified (MT)	78,000	139,270.36
CSPO (MT)	17,160	31,604.68
CSPK (MT)	3,900	5,609.20

**3.8.4**

The Mill has registered as RSPO member under PT Perkebunan Nusantara V (No. 1-0211-16-000-00) and also has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Sei Intan Palm Oil Mill
- License ID: CB123888
- Core Product: Palm Oil

- Member ID: RSPO\_PO1000006147 (PT Perkebunan Nusantara V (PERSERO))
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

**3.8.5**

The Mill has had procedures related supply chain, such as Procedure of Supply Chain Management (No. SOP-PEM/015 revision 01 dated 1 May 2020). These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

Based on interviews in Sei Intan POM note that the weighbridge operators understand the supply chain management system. It also known that training and refreshment (awareness) of supply chain management system were carried out annually.

**3.8.6**

The procedure for internal audit for SCCS mentioned in Procedure of Internal Audit Management System (No. SOP-PST-024, revision 02 dated 1 July 2021). Based on that procedure internal audit carry out minimum one times a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 8 June 2022. Based on result of internal audit, there is two non-conformity SCS indicators and has been correction and complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 25 July 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, process perform 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 which is July 2021 – June 2022:

Month	FFB (ton)		Total
	Certified	Non-Certified	
July 2021	11,906.84	3,727.09	15,633.93
August 2021	17,106.16	1,364.57	18,470.73
Sept 2021	17,721.94	1,675.90	19,397.84
Oct 2021	18,300.77	1,008.56	19,309.33
Nov 2021	16,665.31	836.02	17,501.33
Dec 2021	15,500.43	1,010.34	16,510.77
Jan 2022	10,879.54	853.91	11,733.45
Feb 2022	6,831.66	1,649.22	8,480.88
Mar 2022	5,430.75	5,429.01	10,859.76
Apr 2022	5,739.59	9,256.33	14,995.92
May 2022	5,149.40	5,888.55	11,037.95
Juni 2022	8,037.97	4,019.66	12,057.63
<b>Total</b>	<b>139,270.36</b>	<b>36,719.16</b>	<b>175,989.52</b>

Estimated certified product recorded in the last assessment report (ASA-1 + ASA-2). Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected Certified	Last Year Actual
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	Volume (17 Sept 2021 – 16 Sept 2022) (MT)	Certified Volume (July 2021 to June 2022) (MT)
FFB Certified (MT)	78,000	139,270.36
CSPO (MT)	17,160	31,604.68
CSPK (MT)	3,900	5,609.20

Based on Sei Intan POM Mass Balance data for the 12-month period prior to the audit (July 2021 to June 2022), it is known that:

- Production of Certified FFB has reached 139,270.36 MT which has exceeded the quota allowed in the license (Palm Trace) which is 78,000 MT.
- Certified CPO production has reached 31,604.68 MT which has exceeded the quota allowed in the license (Palm Trace) which is 17,160 MT.
- Production of Certified PK has reached 5,609.20 MT which has exceeded the quota allowed in the license (Palm Trace) which is 3,900 MT.

However, the company has not been able to show evidence that it has notified the Certification Body that there is an excess of certified volume production (FFB, CPO, PK). **This becomes Non-Conformity No. 2022.02 with Major category.**

Mechanisms for handling unsuitable FFB and/or documents have included in the supply chain certification standard procedure with document number SOP-PEM/015, revision 01 dated 1 May 2020.

### 3.8.8

The mill has product information provided in such as document of contract agreement, delivery order, delivery ticket, report of loading, weighbridge ticket and other invoices, as example at invoices of CSPK certified delivery on 25 July 2022. The information provided on invoices are:

- The name and address of the buyer (PT Perkebunan Nusantara V PKO – Tandun);
- The name and address of the seller (PTPN V, Sei Intan POM – Rokan Hulu District)
- The loading or shipment / delivery date (25 July 2022);
- A description of the product supply chain model (Mass Balance)
- The date on which the documents were issued (25 July 2022);
- The quantity of the products delivered (26.88 ton);
- Any related transport documentation (transport by PT Dearo Ganda Saranatama);
- A unique identification number (00000775);
- RSPO certificate number (Mutu-RSPO/133);
- etc.

### 3.8.9

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of certified products (CPO and PK) is outsourced to the third parties. Currently, there is 2 contractors for CPO and PK transport, for instance as shows through several Work Order Letter as follows:

- PT Dearo Ganda Saranatama (CPO transporter), agreement No. SPPBJ/N00E/2021/1525 valid thru 31 December 2022.
- PT Wahana Adidaya Pertiwi (PK transporter), agreement No. SPPBJ/N00E/2021/1535 valid thru 31 December 2022.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there is a letter of commitment from each contractor stating that they are committed to supporting the implementation of the RSPO SCCS system including the willingness to provide proper access to accredited CBs in order to be able to access their operations and systems along with any information in their possession, if the audit is notified in advance.

### 3.8.10 and 3.8.11

The Mill has the record of details of the contractor, covers the contractor company profile, address, contact person, email

and phone number, contract agreement and period, and list of vehicles. There was no new contractor from the previous assessment. The list of contractors of CPO and PK transporter are:

1. PT Dearo Ganda Saranatama (CPO transporter)
2. PT Wahana Adidaya Pertiwi (PK transporter)

**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. Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 5 years.

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 12-months before audit (July 2020 – June 2022):

**CSPO**

Month	CPO (ton)		Total
	Certified	Non-Certified	
Opening Stock	146.74		
July 2021 - June 2022	31,604.68	7,256.50	38,861.18

Month	CSPO Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
July 2021 - June 2022	13,812.79	--	15,167.65	28,980.44

**CSPK**

Month	PK (ton)		Total
	Certified	Non-Certified	
Opening Stock	149.16		
July 2021 - June 2022	5,609.20	1,760.83	7,370.03

Month	CSPK Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
July 2021 - June 2022	4,216.45	-	1,421.87	5,638.32

**3.8.13 and 3.8.14**

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for July 2021 until June 2022 i.e OER 22.08% and KER 4.19%. Periodically update of extraction is actual extraction.

**3.8.15**

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

**3.8.16**

RSPO IT Platform member registration number for Sei Intan POM is RSPO\_ RSPO\_PO1000006147. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch. For example:

- Certified CPO sold to PT Intibenua Perkasatama dated 5 April 2022 for 500 ton and transaction creates in IT Palm Trace dated 24 Februari 2022.
- Certified PK sold to PT PTPN V (Tandun Palm Kernel Oil) dated 1 January 2022 for 52.56 ton and transaction creates in IT Palm Trace dated 12 January 2022.

**Removing Stock**

Based on data from the Mass Balance of Sei Intan POM for the period of 2021 and 2022, it is known that during the license period (17 September 2021 to 16 September 2022) there were sales as non-Certified products using RSPO Certified product stock with the following details:

- Certified CPO as much as 12,312.31 MT
- Certified PK 1,410.48 MT

Then based on the data on removing stock in the palm trace, it was found that Sei Intan POM only removed CSPO stock of 2,416 MT and CSPK of 234 MT. Based on this evidence, it is known that the mill has not removed the entire stock of RSPO certified products that sold under other schemes or by conventional. **This becomes Non-Conformity No. 2022.03 with Major category.**

**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.

3.8.7	Status: Non-Conformity No. 2022.02 with Major category	
3.8.16	Non-Conformity No. 2022.03 with Major category	

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

**4.1**

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

**4.1.1**

The company has a Human Rights Policy which was signed by the President Director on June 5, 2020. The contents of the policy include:

- PTPN V upholds human rights as individuals which include the right to life, the right to personal freedom, thoughts and conscience, the right to religion, the right not to be enslaved, the right to be recognized personally, and equality before the law.
- PTPN V respects these human rights and places them in a dignified position by not accepting and employing children and refusing forced labor.
- PTPN V respects and maintains the cultural identity of the community and local wisdom around the company's operating environment.
- PTPN V respects internationally recognized human rights, as set out in draft international laws and declarations by international labor organizations on basic principles and rights at work.
- PTPN V respects human rights and avoids involvement with human rights violators. As stated in the UN guiding principles on human rights and business.

The company also showed a recording of the socialization of human rights policies carried out to employees, contractors and suppliers on December 9, 2021 with 26 participants.

Based on interviews with village representatives, it is known that the company has conveyed the socialization of the Human Rights Policy and so far no human rights violations have been committed by the company.

**4.1.2**

The company has an WI for resolving problems/conflicts with external parties in estates and mills with No. 37-IK/BSP/PTPN-V/2016 which lists the stages of activities in problem solving which are carried out for the first time by conducting deliberations or mediation.

The results of field observations and interviews with village community representatives such as the Village Head of Kembang Damai and the Village Head of Kota Lama, it is known that there are no paramilitaries used for acts of interference (nuisance) and extra-judicial intimidation.

Status: Comply

**4.2**

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

**4.2.1**

It is explained in the code of conduct code of conduct for PTPN V clause II.13 regarding reporting of violations and protection for whistleblowers. The stages described:

1. Every individual can report any violation, the report will be accepted if it is supported by clear evidence from the complainant
2. The board of commissioners will receive every complaint and report through the committee in charge of supervising the implementation of the regulations
3. The company guarantees the protection of individuals who report.

The company has procedures for communication, consultation and coordination with stakeholders. Document No. PMT-KBN-SIN-MR-06 effective July 18 2016, in clause 6.2 regarding external communication it is explained related to responses to external communications, every letter/information from external is reviewed by the plantation manager and then submitted to the relevant department, if it requires completion then the assistant head and plant assistant together analyze the problem, find the root cause of the problem and take corrective action, if a response is needed, the estate manager will send a response to an external party no later than 1 month from the receipt of the letter.

The mechanism for resolving disputes with employees is described in Collective Bargaining Agreement document Chapter XI articles 68 and 69 regarding the settlement of complaints, legal protection and defense of employees, it is explained that any complaints can be submitted directly to their superiors, if there is no settlement can be submitted through Bipartite, and if not find a solution, it can be continued in accordance with the applicable provisions.

The company also has a SOP for public complaints and dissatisfaction (Doc No.: 33-SOP/PEM/PTPN-V/2020) dated March 31, 2020 which explains:

- The person responsible for responding to complaints is a general assistant/public relations officer in each relevant office. If a certain location does not have general assistant / Public Relations, it can be replaced by an administrative assistant.
- For the independent handling of complaints and dissatisfaction, the responsible personnel and all those who participate in the complaint service cannot have direct or indirect involvement in the case being handled.
- Interested parties can submit a complaint report either verbally or in writing such as by telephone or email to [www.ptpn5@ptpn5.co.id](mailto:www.ptpn5@ptpn5.co.id).
- General assistant/administrative assistant will immediately review and analyze complaints from interested parties.
- If deemed invalid, the interested party will be provided and the reasons for this decision will be communicated.
- If the solution is accepted by the interested parties and all related parties then the complaint is considered completed.
- If the solution is not accepted by the interested party concerned and/or if the Asum/Administrative Assistant is not possible to resolve the complaint on their own immediately, then the responsible party will seek a recommendation from the district and/or Corporate Secretary Section of the board of directors' office.
- If the report is complete, an examination will be carried out and/or analysis of each submitted document will be completed immediately. The company will endeavor to resolve the complaint within 15 working days.
- If the interested party does not accept the proposed settlement, then the complaint is resolved through legal channels or the courts.

PTPN V already has a human rights policy where in point 5 it is explained that PTPN V respects human rights and avoids involvement in human rights violations, and always strives to prevent retaliation, intimidation and violence against human rights defenders as stated in the UN guiding principles on Human Rights and Business.

**4.2.2**

Based on interviews with management representatives, it was conveyed that for the affected parties, the company carried out verbal/direct socialization to cover those who could not read and write.

**4.2.3**

In the period 2021-2022, there have been no complaints submitted by external parties to the company.

**4.2.4**

The company does not limit its stakeholders to obtain legal and technical assistance from independent parties in the conflict resolution process, for example in the WI for resolving problems / conflicts with external parties in estates and mills with No 37-IK/BSP/PTPN-V/2016 which informs the stages of activity in problem solving are carried out first by conducting deliberation or mediation, but if no agreement is reached then it can be resolved through litigation/court.

Status: Comply

**4.3**

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

**4.3.1**

The company already has a CSR program for 2021 - 2022 which was made based on the results of consultations with surrounding communities such as Desa Kembang Damai and Kota Lama. The CSR programs owned by the company include:

- Honorary Teacher Help
- Road repair
- Inauguration of Sports Facilities
- Food Assistance
- Fish Seed Help

Companies can show records of CSR program implementation for 2021 and 2022, for example as follows:

- Assistance for fish seeds and goats in Air Panas Village in April 2021.
- Assistance for the rehabilitation of the Damai flower village office which was carried out in September 2021.
- Funding assistance to the Traditional Density Institute in Pagaran Tapah District which was carried out in September 2021.
- Scholarship assistance with achievement to become a member of paskibraka in Rokan Hulu Regency in August 2021.

Based on the results of interviews with Kembang Damai Village, it is known that so far the company has realized CSR to the surrounding community and is considered quite good by the village head. In addition, the company's CSR program is prepared based on the results of consultations with the village.

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 total operational area of Sei Intan Estate PTPN V is 3,286.40 Ha. The company already has land rights documents in the form of land use rights (HGU) based on the Decree of the Minister of Agrarian Affairs/Head of the National Land Agency No. 107/HGU/BPN/99 which granted PT Perkebunan Nusantara V a Cultivation Right for 35 years over an area of 13,942,158 Ha located in Tandun Subdistrict and Kunto Darussalam District, Kampar Regency, Riau Province, which was issued on October 14, 1999.

Then 4 HGU certificates were issued which later became the operational area of Sei Intan Estate with the following details:

- HGU Certificate No. 02 for a land area of 4,877,801 Ha issued on April 21, 2001 and valid until April 19, 2036 (the area in this certificate is partly owned by Sei Rokan Estate PTPN V).
- HGU Certificate No. 03 for an area of 235.00 Ha, issued on April 21, 2001 and valid until April 19, 2036.
- HGU certificate number 04 for an area of 748 Ha issued on 21 April 2001 and valid until April 19, 2036
- HGU Certificate No. 05 for a land area of 357.00 Ha issued on 21 April 2001 and valid until April 19, 2036



**4.4.2**

Sei Intan Estate - PTPN V is an old plantation that has been operating since 1984/1985, is part of the plantation that was previously managed by PTP 5 which was later merged into PTPN5 in 1996. Based on the HGU Decree, the operational area of PTPN 5 is a forest area that released based on the Decree of the Minister of Forestry dated April 21, 1992 number 390/Kpts-II/1992 covering an area of 22.407 Ha and has obtained a change in the use of land reserves based on the Decree of the Governor of Riau Regional Heads dated January 23, 1985 number Kpts.87/II/1985, there is no customary rights and traditional rights in HGU owned by the company.

The company can show proof of payment of "*Sagu Hat*" to Kota Lama Village as many as 118 families in order to settle the claim for compensation dated November 12, 2002, and a statement letter dated September 3, 2002 stating that Kota Lama Village chose to accept the option of paying "*Sagu Hat*" for 3 Villages: Kota Lama Village, Pagaran Tapah Village and Koto Intan Village). There is a document of mutual agreement between PTPN V plantations and the people of Pagaran Tapah, Koto Intan and Kota Lama villages number: 10.5705.SIN/KB/XI/2002 dated 12 Nov 2002 represented by the people of Pagaran Tapah, Koto Intan and Kota Lama villages with the President Director PTPN V, in which the community demands an area of 500 hectares of rubber plantation which is included in the company's HGU, has agreed that the area has legally been included in the company's HGU and agreed to accept "*Sagu Hat*" for the area and the three villages will not interfere with the security and operational existence PTPN V. The agreement was witnessed by the village heads of the three villages and the sub-district head of Kunto Darussalam.

Based on consultation with Village Head of Kembang Damai Village and Kota Lama Village, known that there was no customary land in the PTPN V Sei Intan and stated that the company has been established since 1981/1982, the current community is the 2nd and 3rd generation of the previous land owners. Also known information that were not any negotiations conducted by the unit of certification with any parties concerning compensation for loss of legal, customary or user rights since the last surveillance.

**4.4.3, 4.4.4, 4.4.5 and 4.4.6**

In the HGU decree of Sei Intan - PTPN V stated that the area controlled is the forest area that was excluded based on Decree of Minister of Forestry dated 21 April 1992 number 390/Kpts-II/1992 covering 22,407 Ha and has obtained changes in land use based on the Governor's decree of Riau on 23 Jan 1985 number Kpts.87/II/1985, there were no customary and traditional rights within the HGU owned by the company. Shown in a map of land plots with a scale of 1: 30,000 issued by BPN on 14 December 1998, for land plot number 23, number 178 and number 12 in 1998 for an area of 13,942.158 Ha (Sei Intan and Sei Rokan).

Based on consultation with Village Head of Kembang Damai Village and Kota Lama Village, known that there was no customary land in the PTPN V Sei Intan and stated that the company has been established since 1981/1982, the current community is the 2nd and 3rd generation of the previous land owners. Also known information that were not any negotiations conducted by the unit of certification with any parties concerning compensation for loss of legal, customary or user rights since the last surveillance.

	<b>Status: Comply</b>	
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**4.5**  
**No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

**4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8**  
 There are no new plantings in the operational area of PTPN V Sei Intan. PTPN V Sei Intan already has a HGU based on the Decree of the Minister of Agrarian Affairs / Head of the National Land Agency No. 107/HGU/BPN/99 for an area of 13,942.158 Ha located in Kampar Regency which was issued on October 14, 1999.

In the HGU decree of Sei Intan - PTPN V stated that the area controlled is the forest area that was excluded based on Decree of Minister of Forestry dated 21 April 1992 number 390/Kpts-II/1992 covering 22,407 Ha and has obtained changes in land use based on the Governor's decree of Riau on 23 Jan 1985 number Kpts.87/II/1985, there were no customary and traditional rights within the HGU owned by the company. Shown in a map of land plots with a scale of 1:

30,000 issued by BPN on 14 December 1998, for land plot number 23, number 178 and number 12 in 1998 for an area of 13,942.158 Ha (Sei Intan and Sei Rokan).

Status: Comply

**4.6**

**Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**4.6.1, 4.6.2, 4.6.3 and 4.6.4**

The company has a procedure related to the identification of customary / legal rights in the Work Instruction for Problem Solving the PTPN V Area (Occupation and Land Disputes) with document number IK-HKM-003 on the date of issue 15 January 2020. The document describes the process of inventorying and mapping the area, and socializing it to the cultivators, and the calculation of compensation / for plants or buildings in the cultivated area, up to the compensation payment process.

Based on consultation with Village Head of Kembang Damai Village and Kota Lama Village, known that there was no customary land in the PTPN V Sei Intan and stated that the company has been established since 1981/1982, the current community is the 2nd and 3rd generation of the previous land owners. Also known information that were not any negotiations conducted by the unit of certification with any parties concerning compensation for loss of legal, customary or user rights since the last surveillance.

Status: Comply

**4.7**

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

**4.7.1 and 4.7.2**

The company has a procedure related to the identification of customary / legal rights in the Work Instruction for Problem Solving the PTPN V Area (Occupation and Land Disputes) with document number IK-HKM-003 on the date of issue 15 January 2020. The document describes the process of inventorying and mapping the area, and socializing it to the cultivators, and the calculation of compensation / for plants or buildings in the cultivated area, up to the compensation payment process.

**4.7.3**

PTPN V Sei Intan already has a HGU based on the Decree of the Minister of Agrarian Affairs / Head of the National Land Agency No. 107/HGU/BPN/99 for an area of 13,942.158 Ha located in Kampar Regency which was issued on October 14, 1999.

In the HGU decree of Sei Intan - PTPN V stated that the area controlled is the forest area that was excluded based on Decree of Minister of Forestry dated 21 April 1992 number 390/Kpts-II/1992 covering 22,407 Ha and has obtained changes in land use based on the Governor's decree of Riau on 23 Jan 1985 number Kpts.87/II/1985, there were no customary and traditional rights within the HGU owned by the company. Shown in a map of land plots with a scale of 1: 30,000 issued by BPN on 14 December 1998, for land plot number 23, number 178 and number 12 in 1998 for an area of 13,942.158 Ha (Sei Intan and Sei Rokan).

Based on public consultation with village representatives from Kembang Damai Village and Kota Lama Village known that certification unit routinely provide CSR and there are people living around the company who work as employees in the certification unit.

Status: Comply

**4.8**

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

**4.8.1, 4.8.2, 4.8.3 and 4.8.4**

Complaints (Demonstrations) on January 15, 2019 from representatives of the Kota Lama Banja Ladang Community regarding land disputes covering an area of 320 hectares that have not been compensated. Complaints and conflicts related to land disputes were continued with deliberations between the company and community representatives on

October 14 2019 after which a meeting was continued with representatives of the Directors of PTPN V in Pekanbaru on October 22, 2019.

The minutes of the first meeting on 14 October 2019 with representatives of the Sei Intan Unit were recorded as follows:

- PTPN V said that the area disputed by the community representatives of Banja Ladang Kota Lama Village, covering an area of 320 hectares, was the company area that was included in the company's HGU No. 05 of 2001 covering an area of 357 hectares.
- Community demands for an area of 320 hectares, PTPN V said that they could not make the compensation expected by the community.
- As PTPN V's concern for the 320 Ha area demanded by the community, a KKPA scheme will be developed.
- The Banja Ladang Sialang Pasungan community agreed to develop a 320ha KKPA scheme
- The Banja Ladang Sialang Pasungan community wants a meeting with the board of directors at the PTPN V.

The minutes of the first meeting on 22 October 2019 with representatives of the Directors of PTPN V are as follows:

- PTPN V is unable to fulfill the application for compensation for an area of 320 hectares considering that the PTPN V Sei Intan Estate area has been certified HGU number 05 of 2001. The HGU certification process has gone through the stages according to the applicable laws and currently the area has become a state asset.
- The two parties agree to form a team consisting of elements from PTPN V and the Banja Ladang community group.
- The team formed in point 2 agreed to seek 320 hectares of land outside the company's HGU area. Henceforth, the KKPA pattern is drawn up with funding coming from banks. PTPN helps facilitate this banking administration.
- The process of resolving land conflicts with communities is ongoing.

#### **Update on ASA-2**

Company showed the documentation of the complaint resolution process, among others:

- Letter from PTPN V to Representative of Banja Ladang community No. 5/DPM/X/VIII/2020 on 10 August 2020 which stated that PTPN V is committed to and collaborates with the Banja Ladang Group in searching for clean and clear replacement land that meets the requirements of a banking partnership.
- On 16 September 2020, PTPN V issued decree No. EVP/SK/01/IX/2020 about the team to find land with the KKPA pattern of oil palm plantations for the Banja Ladang Community. This decree includes the composition of the land search team and a description of their duties.

#### **Update on ASA-3**

On October 28, 2021, a meeting mediated by the Rokan Hulu Police was held with the following results:

- Applications for the Muara Dilam area to be a solution for the settlement of claims cannot be accommodated due to the constraints of plantation holding regulations;
- PTPN V coordinates with holdings regarding opportunities for exceptions to the prohibition on purchasing bailout funds;
- A follow-up meeting will be held at the PTPN V Head Office on Friday, November 5, 2021, attended by PTPN V management who can make decisions.

On November 5, 2021, a meeting was held with the Banja Ladang community group, the DPRD and the Rokan Hulu Regency Government with the following results:

- Currently, the financing for the development or purchase of KKPA plantations is constrained by provisions which for changes involve the Plantation Holdings and lenders from the Syndicate of 39 Creditors. In this regard, PTPN V will ask for a response from Holding regarding the constraints of the restrictions on the provisions of the bailout loan and avalist.
- The government of Rokan Hulu Regency requested that the settlement of this problem be carried out properly so that there would be no unlawful actions that could lead to conflicts in the field.

Based on information from the management of Sei Intan PTPN V, until now the settlement is in the process which will involve holding PTPN.

Based on interview with Village Head of Kota Lama Village, it is known there is no more complaint from Banja Ladang

Community and still wait the result of this resolution. The process of resolving land conflicts with communities is still ongoing.

Status: Comply

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

**5.1**

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

**5.1.1**

Based on the results of the document review and the results of interviews with the company, it is known that currently there are no plasma farmers who cooperate with the company because the previous agreement with plasma farmers has expired and the payment for the development of plasma plantations has been paid off.

The results of document verification show that currently the company is receiving FFB from third parties, namely independent parties (individual farmers and agents). The FFB pricing mechanism is determined by the company in accordance with the agreement stated in the Cooperation Agreement. The company can show the FFB pricing mechanism for third parties which is determined by considering the Processing Fee, CPO transportation cost, CPO price, and the price of the Disbun pricing team. The company can show the FFB price, for example, for the period of May 4, 2022, which is Rp. 2,155 and for the period of March 4, 2022, it is Rp. 2,130.

Based on the results of interviews with Independent FFB suppliers, namely Muktar, it is known that the FFB price provided by the Company is based on the price set by the Company according to the cooperation contract and FFB price information every time there is a change will be informed to the FFB supplier via whatsapp Message.

**5.1.2**

As explained in indicator 5.1.1, it is known that the price of FFB given to FFB suppliers is the price set by the Company. The FFB price determination has been stated in the cooperation contract with the FFB supplier. any changes in the FFB price will be informed to the FFB supplier via whatsapp message.

Based on the results of interviews with the Independent FFB supplier, Muktar, it is known that the FFB price is set by the company and the FFB supplier is free to send FFB to other factories if the set price is deemed too low.

**5.1.3**

As explained in indicator 5.1.1, it is known that the price of FFB given to FFB suppliers is the price set by the Company. The FFB price determination has been stated in the cooperation contract with the FFB supplier. any changes in the FFB price will be informed to the FFB supplier via what's app Message. The cooperation contract does not include an agreement on the premium value and the results of interviews with company representatives show that there is currently no agreement on the premium value with FFB suppliers.

Based on the results of interviews with Independent FFB suppliers, namely Iswandi and Muktar, it is known that the FFB price is set by the company and the FFB supplier is free to send FFB to other factories if the price set is deemed too low and the pricing is deemed fair enough.

**5.1.4**

Based on the results of interviews with Independent FFB suppliers, namely Muktar, it is known that the FFB price is set by the company and the FFB supplier is free to send FFB to other factories if the set price is deemed too low and the FFB supplier is free in making decisions.

**5.1.5**

The company can show cooperation agreements with several FFB suppliers to Sei Intan Mill, for example:

- Cooperation Agreement between PT Sugih Indah Sejati with number 5. LSTS/SP/07/VII/2022 with PKS Sei Intan on July 1, 2022 with a validity period until September 30, 2022. The agreement in the field of FFB purchases at the

agreed price is the price determined by PKS Sei Intan. The cooperation agreement has been approved by both parties and is in accordance with applicable law.

- Cooperation Agreement between Agent Mukhtar with number 5. LSTS/SP/04/MI/2022 with PKS Sei Intan on July 1, 2022 with a validity period until September 30, 2022. The agreement in the field of FFB purchases at the agreed price is the set price by PKS Sei Intan. The cooperation agreement has been approved by both parties and is in accordance with applicable law.

Based on document verification, it is known that the agreement has complied with the provisions as evidenced by the agreement between the two parties, has a timeframe, and is transparent.

**5.1.6**

The company can show proof of payment of FFB to the FFB Supplier made to the FFB Supplier. for example, payments to PT Sugih Indah Sejati and Agent Mukhtar:

- Payment of FFB to PT Sugih Indah Sejati for the period of July 29, 2022, which was paid through Bank BRI on July 29, 2022.
- Payment of FFB to Agent Mukhtar for the payment period of April 1, 2022, which was paid through Bank BRI on April 1, 2022.

Based on the review of the Supplier's FFB payment documents, it is known that the payment period is reasonable and acceptable. Based on interviews with suppliers, namely PT Sugih Indah Sejati and Agen Mukhtar, it was found that there were no complaints regarding prices and payments made by the company.

**5.1.7**

The company can show the results of the weighbridge testing conducted by the Department of Industry and Trade in the Legal Metrology Division of Rokan Hulu Regency for 2 weighbridges, namely:

- Certificate of inspection results dated September 16, 2021 with Number 510.3/Perindag-Metro/02.05.84/XI/2021 for electronic bridges with a capacity of 50,000 Kg; GSC Brand; Serial Number 1108265 with the results of meeting the requirements and ratified based on the Law of the Republic of Indonesia No. 2 of 1981 and will be recalibrated on September 14, 2022.
- Certificate of inspection result dated November 29, 2021 with Number 510.3/Perindag-Metro/02.05.147/XI/2021 for an electronic bridge with a capacity of 60,000 Kg; GSC Brand; Serial Number 1108366 with the results of meeting the requirements and ratified based on the Law of the Republic of Indonesia No. 2 of 1981 and will be recalibrated on November 25, 2022.

**5.1.8**

Based on the results of interviews with company representatives, it is known that currently the company has collaborated with 2 farmer cooperatives in terms of replanting, namely the Subur Makmur Cooperative and the Gemah Ripah Cooperative. The replanting activity has been carried out and in the future the cooperative will cooperate in terms of buying and selling FFB and the MoU has been agreed.

The results of interviews with the Subur Makmur Cooperative are known that currently the cooperative has collaborated with the company in terms of replanting activities and in the future the cooperative will send FFB to the company with the management of plantation land which will be carried out by the cooperative.

**5.1.9**

Complaint mechanism has been set in the SOP of communication for consultation and coordination with stakeholders (No. PMT-KBN-SIN-MR-06 dated 18 July 2016). This procedure is generally applied to all complaint's aspects, including complaints and non-conforming products from customers/buyers. During the audit, there is no written complaint from smallholders.

Based on the results of the verification of the complaint document, it is known that for the period 2021 and 2022 there were no complaints from FFB suppliers.

	<b>Status: Comply</b>	
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**5.2**  
**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**

**5.2.1 & 5.2.2**

The results of interviews with the Subur Makmur Cooperative are known that currently the cooperative has collaborated with the company in terms of replanting activities and in the future the cooperative will send FFB to the company with the management of plantation land which will be carried out by the cooperative. In addition, the company has also conducted socialization related to the RSPO to cooperatives with the aim of improving the standard of living, including improving the plantation management of cooperative members.

**5.2.3**

As part of its support to encourage the legality of FFB production, companies can show recordings of meetings with KUD (Plasma Sei Tapung) and independent smallholders around the company on January 25, 2022 to discuss matters related to land legality. In addition, based on the results of interviews with company representatives, it is known that currently the company has collaborated with 2 farmer cooperatives in terms of replanting, namely the Subur Makmur Cooperative and the Gemah Ripah Cooperative. The replanting activity has been carried out and in the future the cooperative will cooperate in terms of buying and selling FFB and the MoU has been agreed. This is done so that the legality of the seeds from the two cooperatives comes from clear seeds.

The results of interviews with the Subur Makmur Cooperative are known that currently the cooperative has collaborated with the company in terms of replanting activities and in the future the cooperative will send FFB to the company with the management of plantation land which will be carried out by the cooperative.

**5.2.4**

The CH has conducted WI training and harvesting procedures, as well as procedures for using chemicals (pesticides) at KUD Dayo Mukti on 23 May 2022. The training was attended by 31 people from KUD Dayo Mukti farmer groups.

**5.2.5**

Reports on the progress of the farmer support program are evaluated periodically through the Management Review Meeting of the Plasma unit and followed by the Plasma PIC, for example the plasma management review meeting on July 25, 2022.

Status: Comply

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**

**6.1**

**Any form of discrimination is prohibited.**

**6.1.1-6.1.2**

Based on interviews with representatives of the gender committee and SP-BUN it was stated that the company had implemented a non-discrimination policy and provided equal treatment to workers. This is in accordance with the Sustainable Palm Oil Policy of PTPN V which was signed by the Director, SEVP Operation and SEVP Business Support on October 1, 2021 at point 17 which states respecting human rights by treating all employees fairly, both in terms of acceptance, evaluation, working conditions and environment, as well as representation regardless of ethnicity, caste, national origin, religion/belief, disability, gender, sexual orientation, trade union membership, political affiliation and/or age.

Based on interviews with representatives of workers and companies, it is known that there is no discrimination in the operational area of Sei Intan.

**6.1.3**

The company shows evidence that recruitment selection, employment, access to training, and promotions are made on the basis of skills, abilities, qualities and medical eligibility as required for the available jobs, for example:

- The company shows new employee acceptance documents such as information on job vacancies as workshop staff, laboratory and processing analysts on November 3, 2021, which will then be announced for administrative graduation

to every applicant who passes via sms, to then follow the selection stages such as academic tests, psychological tests and tests health. From the results of these tests, it was decided for example on behalf of ARNF to become a prospective employee at Sei Intan POM for the position of laboratory analyst due to good ratings on each test.

- Memo No. G-5/SDM/A/M/125/IV/2022 dated April 13, 2022 regarding the assessment results and prospective strata III employees informed that the performance appraisal of several employees in 2021 had met the target, then decided to promote to 2 strata II employees Estate Sei Intan becomes a strata III employee.

**6.1.4**

The results of interviews with the gender committee revealed that pregnancy testing was not discriminatory. Pregnancy tests are only carried out for chemical application activities with the aim of ensuring that female workers are not pregnant while carrying out these activities. Furthermore, if it is found that there are female chemical applicators who are pregnant, they will be transferred to other jobs.

**6.1.5.**

Sei Intan already has a gender committee organization as stated in the SKEP No. document. 02/U.SIN/Skep/I2022 dated January 1, 2022 regarding the Determination of the Gender Committee Team which informs the determination of the names of employees in the Gender Committee Management Position consisting of female and male workers, among others as Trustees, Chairpersons, Deputy Chairpersons, socialization units, complaint unit, protection unit and extension unit.

The management of the gender committee also regularly holds internal meetings, the last time being held on March 10, 2022, with 14 participants discussing issues and evaluating the 2021 program for further improvement in 2022.

The gender committee management also has an annual work program, where in 2022 3 work programs out of 5 annual work programs have been implemented. The annual work programs that have been implemented are as follows:

- Coordination meeting
- Conducting outreach/education to young mothers
- Held an Integrated Healthcare Center

Based on interviews with representatives of women workers, for example in spraying activities, it was stated that the gender committee management periodically conducts socialization about the organization of the gender committee and workers can explain the reporting mechanism when harassment or violence occurs.

**6.1.6.**

The company has an employee salary structure as stated in SK No. 5/SDM/SK/04/III/2022 dated 17 February 2022 regarding the salary structure of PTPN V employees which informs, among others:

- In point 3, namely setting the minimum wage based on the highest district minimum wage in the scope of PTPN V, which is Rp. 3,114,238.
- In point 5, namely determining the salary structure for groups IA – IVD which is based on years of service.

Based on the results of document verification, it is known that the wages paid to workers with the same class get the same basic wages, for example plant maintenance with group IB/13 and maintenance of emplacements with group IB/13 get a basic salary of Rp 2,408.867, fixed allowances of Rp 802,956 and rice allowance according to the worker's dependents.

Status: Comply

**6.2**

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

**6.2.1.**

The company has an employee salary structure as stated in SK No. 5/SDM/SK/04/III/2022 dated 17 February 2022 regarding the salary structure of PTPN V employees which informs, among others:

- In point 3, namely setting the minimum wage based on the highest district minimum wage in the scope of PTPN V, which is Rp. 3,114,238.

- At point 5, namely determining the salary structure for groups IA – IVD which is arranged based on years of service, for example:
  - Group IA/00 is given a basic salary of Rp 2,223,741, a fixed allowance of Rp 741,247 and a rice allowance of Rp 149,250.
  - Group IB/00 is given a basic salary of Rp. 2,258,765, a fixed allowance of Rp. 752,922 and a rice allowance of Rp 388,050.

The company also shows several employee salary slips for the July 2022 period, for example:

- With the initials AS class IC/09, they get a basic salary of Rp. 3,835,590; palm oil premium Rp 1,978,706; social compensation Rp. 479,579; discount Rp 719,590; with a net salary of Rp. 5,574,285.
- With the initials S, group IA/00 gets a basic salary of Rp. 3,114,238; harvest premium Rp 1,532,253; social compensation Rp 318,397; discount Rp 444,018; with a net salary of Rp. 4,520,670.

Based on the results of interviews with workers, it is known that the wages received are in accordance with the applicable minimum wage regulations.

#### 6.2.2.

Based on field visits and document verification, several things were found, including the following:

- Based on the field visit at Block 10E Division I Sei Intan Estate, it was found personnel with the initials N who were carrying out manual tripping activities in the riverbank area as well as field visits at Block G10 Division II Sei Intan Estate, personnel with the initials HS were carrying out spraying activities. However, based on interviews with these personnel, it was stated that these personnel were not employees of the company and did not have a work agreement with the company.
- Based on the list of employees of Sei Intan Estate for the period of July 2022, there are no personnel with the initials N and HS who are registered as employees at Sei Intan Estate.

Based on the evidence above, it can be concluded that there are still workers who carry out company operational activities without having an agreed work agreement and this is not in accordance with applicable regulations, for example:

- Law of the Republic of Indonesia No. 13 of 2003 concerning Manpower in Article 50 states that the employment relationship occurs because of a work agreement between the entrepreneur and the worker/laborer.
- Indonesian Government Regulation No. 35 of 2021 concerning Temporary Appointment Work Agreement, outsourcing, working time and rest time, and termination of employment, states that:
  - Article 2 paragraph 1 states that the employment relationship occurs because of a work agreement between the entrepreneur and the worker/laborer.
  - Article 2 paragraph 4 states that the work agreement is made for fixed time or for an temporary time.

**This becomes Non-Conformity No. 2022.04 with Major category.**

#### 6.2.3.

The company has shown evidence of legal compliance related to employment, such as:

- Wages are paid according to government regulations.
- Provide maximum 2 days of H1 (menstrual) leave and maximum 3 months (90 days) of H2 (pregnancy leave) leave with details of 45 days before giving birth and 45 days after giving birth.
- Provide annual leave, for example:
  - Application for leave with the initials name KAS on May 19, 2022, which applies for leave of 1 day.
  - Application for leave with the initials of RTS on July 20, 2022, which applies for leave of 2 days.

#### 6.2.4

The results of the field visit revealed that the company already has proper facilities such as housing, sanitation facilities, water supplies, medical needs, educational facilities and other public facilities.

The company has provided housing for employees as follows:

- Houses for management employees as many as 16 units.
- Houses for implementing employees as many as 118 units.



**6.2.5**

Workers have access to adequate, sufficient and affordable food. Based on the results of field visits and interviews with workers, it is known that the distance to the sub-district city takes 30-50 minutes and workers can also meet their food needs by visiting the sub-district capital.

**6.2.6.**

The company has calculated the prevailing wage which also refers to the highest district minimum wage within the scope of PTPN V and also calculated in kind benefits by accumulating non-cash grants such as housing, electricity & water, education, child care, health, food and sports and recreation. Based on the results of the calculation, the in-kind benefit received for workers is Rp. 2,360,766.

**6.2.7**

Based on document verification, several things were found, including the following:

- Based on the employee list document for Sei Intan Estate for the period of July 2022, it is known that there are 47 harvesting Temporary Appointment Work Agreement employees, for example with the initials S with the year of entering work on August 1, 2020 and AS with the year of entering work on October 1, 2020.
- Based on the results of the assessment of the Sei Intan Estate Temporary Appointment Work Agreement workforce for the period 2020 – 2021, it is known that with the initials S and AS, it is recommended that their contracts be extended.
- Based on Memo No. U-5.SIN/5.SDM/M/44/VII/2022 regarding the request for additional Temporary Appointment Work Agreement harvesters on July 18, 2022 from the Sei Intan Plantation Manager to the Head of the HR Section, it was stated that the need for harvesters was 121 people with the number of harvesters at the time of application was 91 people (Fixed Time Employment Agreement: 46 people and Temporary Appointment Work Agreement: 45 people) so there is still a shortage of 30 people.

The company has not been able to show sufficient evidence that the provisions related to the type of work that can be hired for Temporary Appointment Work Agreement are in accordance with applicable regulations, for example:

- Law of the Republic of Indonesia No. 13 of 2003 concerning manpower in article 59 paragraph 2 states that a work agreement for a certain time cannot be made for permanent work. What is meant by permanent work in this paragraph is work that is continuous, uninterrupted, not limited by time and is part of a production process in one company or work that is not seasonal.
- Government Regulation No. 35 of 2021 concerning Temporary Appointment Work Agreement, outsourcing, working time and rest time, and termination of employment in article 4 paragraph 2 states that PKWT cannot be held for permanent work.
- Decree of the Central Executive Board of GAPKI No. SK/002/PPG/III/2013 concerning the flow of work implementation processes in the oil palm plantation business sector states that harvesting and processing FFB into CPO is the main job.

**This becomes Non-Conformity No. 2022.05 with Minor category.**

6.2.2 6.2.7	Status: Non-Conformity No. 2022.04 with Major category. Non-Conformity No. 2022.05 with Minor category.	
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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 company has a policy to recognize the right to freedom of association and the right to bargain as stated in the PT Perkebunan Nusantara V Point 16 Sustainable Palm Oil Policy document dated October 01, 2021, issued by the President Director, SEVP Operation and SEVP Business Support.

This has been proven by the existence of the "Serikat Pekerja Perkebunan" (SP-Bun) Estate/Mill Sei Intan PTPN V with an organizational structure for the period 2022-2027 with 354 members for the period July 2022.

**6.3.2**

The company already has minutes of union meetings, for example a meeting on July 15, 2021 between trade union officials and members related to the discussion of the proposed draft Collective Bargaining Agreement for the period 2022-2023, which was attended by 19 people.

**6.3.3**

Based on an interview with the head of SP-BUN, it was explained that the last election was held in 2022 which was carried out by deliberation and there was no intervention from the company, including intervention in operational activities.

The union management periodically conducts socialization to employees to register as members, but all employees (contract worker and permanent worker) have the right to join and not join the trade union. Every employee who has become a member will be subject to a mandatory monthly fee that is listed on each employee's salary slip.

**Status: Comply**

**6.4**

**Children are not employed or exploited.**

**6.4.1.**

The company has a policy for the prohibition of child labor as stated in the PT Perkebunan Nusantara V Point 19 Sustainable Palm Oil Policy document dated 01 October 2021, issued by the President Director, SEVP Operation and SEVP Business Support.

Based on the employee list as of July 2022, it is known that there are no employees who are under the age of 18 years. In addition, a minimum age policy has also been implemented for contractors. Based on studies of contractor employees in 2022, for example PT Nabilah Putri Tunggal and PT Aqila Perdana Sejahtera, it is known that there are no workers under the age of 18.

Based on field visits and interviews with worker representatives, for example in harvesting, spraying, fertilizer and mill operations, it is known that there are no workers under 18 years of age.

**6.4.2**

Based on the list of employees of PTPN V – Sei Intan for December 2021 and July 2022, it is known that there are no workers under 18 years of age.

The results of interviews with workers and contractors, it is known that they are aware of the prohibition on hiring workers under the age of 18 years.

**6.4.3.**

Based on the document review, it is known that there are students who practice field work, for example with the initials KN, AN and Y from SMK Migas Riau who practice from January 10, 2022 – February 10, 2022. Based on interviews with management representatives, it was stated that students who practiced field work more often carry out administrative data collection activities. In addition, students are first informed about areas/activities that have the potential to be high risk and in the field review, students are accompanied by staff or company employees.

**6.4.4.**

The results of the field visit revealed that the company has installed a notice board regarding the minimum age for workers, which is 18 years.

The results of interviews with workers and contractors revealed that they were aware of the prohibition against hiring workers under the age of 18.

**Status: Comply**

**6.5**

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

**6.5.1**

The company has a policy for preventing sexual harassment and violence and other forms as stated in the PT Perkebunan Nusantara V Point 20 Sustainable Palm Oil Policy document dated October 01, 2021, issued by the President Director, SEVP Operation and SEVP Business Support.

The company also has a gender committee organization which is indicated in the SKEP No. document. 02/U.SIN/Skep/I/2022 dated January 1, 2022 regarding the determination of the gender committee team that informs the determination of the names of employees in the gender committee management positions, among others as coaches, chairman, vice chairman, socialization unit, complaint unit, protection unit and counseling unit. Based on interviews with the gender committee management, it was stated that in the period 2021-2022, there were no reports related to sexual harassment and violence and other forms.

**6.5.2**

The company has a policy for the protection of reproductive rights as stated in the PT Perkebunan Nusantara V Point 20 Sustainable Palm Oil Policy document dated October 01, 2021, issued by the President Director, SEVP Operation and SEVP Business Support.

This has also been mentioned in Collective Bargaining Agreement Chapter VI Articles 26, 27 and 28 regarding working hours, menstrual leave, maternity leave and miscarriage. The policy states that menstrual leave is given to female workers for 2 days without deductions from salary. During work, those identified as pregnant are not allowed to do work related to agrochemicals. Furthermore, maternity leave is given to pregnant and lactating workers for three months. Socialization on this matter was carried out by the Gender Committee on March 10, 2022.

**6.5.3**

The company has made a program for the needs of young mothers/new mothers for the period of 2022 which consists of maternity leave, permission to breastfeed children during working hours (2 times per day for 10 minutes), getting nutritious food so that breastfeeding is smooth and certainty of being employed in a safe place. and not related to pesticides/hazardous chemicals. However, based on company identification and interviews with the gender committee, it was found that there were no young mothers/new mothers giving birth.

**6.5.4.**

The company has a complaint submission mechanism that guarantees the anonymity and protection of the whistleblower as described in the PTPN V violation reporting system document in point II.4 regarding the protection of the whistleblower, the task force for rules of conduct and other parties, which in paragraph 1 states that the identity of the complainant through reporting means is guaranteed. confidentiality by the company. Based on the complaint logbook for the period 2021 - 2022, it is known that there have been no complaints from stakeholders.

Status: Comply

**6.6**

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

**6.6.1**

Based on the results of the document review, it is known that workers accept work voluntarily and freely and without coercion. The majority of workers in Sei Intan are local people, but there are some workers who are not local people where they have lived around the company's operational area before working.

The results of interviews with workers and trade unions, it is known that there is no coercion during work.

**6.6.2**

The results of the document review and interviews revealed that there were no migrant workers in the operational area of Sei Intan, but there were Temporary Appointment Work Agreement workers for example in harvesting activities and this has been discussed in indicator 6.2.7.

Status: Comply

**6.7**

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

**health.****6.7.1.****Sei Intan**

In accordance with the Decree of the Head of the Manpower and Transmigration Service of Riau Province Number. 202/Disnakertrans-PK/SK-P2K3/VII/2022 concerning the ratification of the P2K3 organizational structure of PTPN V Estate and Sei Intan POM, stipulated in Pekanbaru on 8 July 2022. OHS Committee secretary is a worker with the initials AM. The CH shows the OHS expert authority card of the relevant official from the Ministry of Manpower of the Republic of Indonesia dated December 31, 2021 valid for 3 years.

**Periodic meeting**

OHS Committee meetings are held every month. Several things were discussed at the June 2022 meeting, which was attended by 15 members including the dangers of covid 19, housekeeping in the bathroom, and OHS warnings in the POM and estate areas.

**6.7.2.**

The CH already has emergency response procedures (SOP/MR/7/03 dated August 1, 2018) and work accidents (SOP/K3/15 dated October 1, 2019) made in Indonesian. Emergency response procedures include explaining: Potential emergency situations, preparation for emergency response: forming an emergency response team, compiling procedures, providing equipment and a hazard alert system, providing first aid kits and trained personnel, installing warning signs, emergency communication, preparedness and emergency response, emergency recovery, and emergency investigation and reporting.

Based on field observations and employee interviews at the Sei Intan Plantation and POM, it is known that:

- There are 3 out of 7 first aid workers/first aid kit carriers who do not understand the function of first aid kits.
- There are 5 out of 14 chemicals in the PKS Oil Warehouse, Fertilizer Warehouse, and Pesticide Warehouse that are not equipped with MSDS.

Based on this, companies are encouraged to re-evaluate the understanding of first aid workers regarding first aid tools and functions and complete MSDS in every area where toxic chemicals are found. (OFI)

**6.7.3**

The company has distributed PPE to all workers. The results of interviews with workers, both in POM and estates, it is known that the company has provided PPE according to the company's PPE standards. For example, in November, 50 safety helmets, 50 goggles, 50 gloves, 50 *egrek* gloves, and 50 AP boots were distributed for harvesters. For processing workers, the distribution of PPE has been shown as well, such as in November 2021 17 safety helmets, gloves and safety shoes were distributed. The results of field observations and interviews at the estate and POM, it is known that workers have received PPE from the company. From the document review, it is known too that the company already has PPE stock. For example, at Sei Intan Estate there is a stock of 20 boots, 90 safety helmets, etc.

For workers handling pesticides, a rinse house has been provided which is used for self-cleaning by workers after spraying. The results of interviews with spray workers in Block G10 Division 2, it is known that workers have understood the procedures for handling and cleaning themselves, work tools, and PPE after working spray at the rinse house.

**6.7.4**

The company has registered all workers in the work accident insurance program (BPJS Ketenagakerjaan) and also registered the workers' families for the health insurance program (BPJS Kesehatan). Companies can show proof of BPJS Employment payments for permanent workers, for example, BPJS Employment for the June 2022 period is paid on 15 July 2022 and BPJS Health for the June 2022 period is paid on 5 July 2022.

The company also shows examples of employment insurance claims that have been received by workers, for example in the work accident of a threshing operator on 5 September 2021 which was reported to *BPJS Ketenagakerjaan* on 10 September 2021.

Based on interviews with worker representatives, for example in harvesting, spraying, fertilizing and factory operations, it was stated that workers have been registered with Social Security Agency and have been deducted with details on the salary slips. In addition, workers can also access the Social Security Agency card online using an application.

6.7.5.

The CH has recorded work accidents in the form "Occupational Safety and Health Statistics". Based on data for the period Jan – July 2022, it is known that there were 4 work accidents, with 4 working days lost.

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 results of field observations in Block G10 Division 2 and Block Q17 Division 4, did not find plant pest attacks. The results of the interview conveyed that there were no pest attacks in the plantation area. The results of the document study also showed no pest attacks. For example, in June there were no attacks of nettle caterpillars, rats, and oryctes.

The CH has shown documents related to the IPM plan contained in the identification of potential pests and diseases and their control plan at Sei Intan Estate. Such as for Rats attack, biological control is using *Tyto alba* Owl by making barn owl box in the field. If attack over 20%, then using chemical.

The company also uses beneficial plants and natural enemies of pests (*tyto alba*) in biological pest control. The results of field observations, almost along the main road and collection road have been planted with *Turnera ulmivolia*, and in the corner of the block *Antigonon leptosus* has been planted, as found in Block G10 Division 2. Division 2 is in an active state which is shown from the fur and dirt that is under the Barn Owl Box. Based on previous audit information, it is known that there are 85 Barn Owl Boxes in all areas of the company.

7.1.2

Based on field observations, almost along the main road and collection road have been planted with *Turnera ulmivolia*, *Turnera subulata*, and in the corner of the block *Antigonon leptosus* has been planted, as found in Block G10 Division 2. *Turnera ulmivolia* was identified as an invasive species according to PermenLHK No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016. The results of field observations revealed that *Turnera ulmivolia* has been well maintained and controlled.

7.1.3

Based on the study of the Pest Control SOP document, it is known that there are no stages of using fire in the pest control process, pest control is carried out manually, chemically and biologically.

Based on the study of PT Perkebunan Nusantara V's Sustainable Palm Oil Policy document dated November 1, 2020, point 5 states "Performing zero burning plantation practices, especially in plant maintenance in controlling plant pests and diseases".

The results of interviews with management representatives, it is known that there is no pest control using fire. The results of field observations, did not find the use of fire to control pesticides

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 CH has shown a list of the pesticides used and the target of the pesticides used in 2022. The pesticides used are as follows:

No	Pesticide	Active Ingredients	Unit	Class	Target
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1	Nara Up 490 SL	Isopropil amina glifosat	g/ltr	IV	Broadleaf weed: <i>Borreria alata</i> , <i>Mikania micrantha</i> , leafy weed narrow: <i>Ischaemum timorense</i> , <i>Ottlochloa nodosa</i>
2	Amcofur 20 WP	Methyl metsulfuron	%	III	Broadleaf weed: <i>Ageratum conyzoides</i> , <i>Chromolaena odoratum</i> , <i>Synedrella nodiflora</i>

Based on documents review and interviews, it is not known the use of pesticides. The results of field observations also revealed that there were no pest attacks and the use of pesticides to control them. It has been added in the report.

Based on the results of the table above, it is known that the company has justified the use of pesticides according to the target.

**7.2.2**

The CH has maintained records of pesticide use. In 2022, herbicides with the active ingredients of glyphosate and methyl metsulfuron will be used. For example, 3,066 liters of glyphosate have been used for 4,457 ha, with an oral LD50 of >5,000 mg/kg, and a calculated active ingredient per ha of 337 gr/ha.

**7.2.3**

The CH has implemented biological control in controlling pests as part of reducing the use of pesticides, for example the company has effectively reduced the use of rodenticides for controlling rodents and replaced them with Owl. This is in accordance with the results of the study of pesticide use documents, for example in 2022 there will be no use of rodenticides. Likewise with the planting of *Turnera subulata*, *Turnera ulmivolia*, and *Antigonon leptosus* which function as predatory hosts for Nettle Caterpillar which resulted in the absence of chemical control for Nettle Catterpillar.

There has been an increase in the use of herbicides, although not all of them have increased. For example, the use of glyphosate in the period January - June 2021 is 0.57 liters/ha. In the same period in 2022, 0.69 liters/ha of pesticides have been used. The company representative explained that this was due to the implementation of spraying in low-lying areas in Division 4 in 2022. Meanwhile, in the same period in 2021, 0.07 Liters of Fluoroxypir were used and from the document review it was found that in the period January - June 2022 no use of fluoroxypir.

**7.2.4**

Based on the results of the document review, it is known that there is no use of pesticides for prophylactic purposes. The results of interviews with management representatives revealed that the company applied pesticides based on the results of the census.

**7.2.5**

Based on field observations to the pesticide storage warehouse, it is known that there are no pesticides with the active ingredient paraquat or those belonging to WHO classes 1a and 1 b. The results of observations and interviews with spray workers in Block G10 Division 2, it is known that the herbicides used are glyphosate and methyl metsulfuron.

**7.2.6**

Based on observations and interviews with spray workers in Block G10 Division 2, it is known that workers have been able to apply the circle path spraying technique according to company procedures. Workers have used PPE according to PPE standards, such as headgear, google, masks using respirators, long-sleeved wear packs, aprons, rubber gloves, and boots. Workers have been able to explain the cleaning of PPE, work tools, and self-cleaning after work at home rinse.

The company also showed a recording of the pesticide use training on June 12, 2021. The training was attended by 14 participants consisting of staff, foreman, and workers touched by pesticides.

**7.2.7**

Based on field observations to chemical warehouses, for example the Central chemical warehouse in Division 1, it was

found that the chemical storage area was in accordance with Government Regulation no. 74 of 2001 concerning the Management of Hazardous and Toxic Materials in which the warehouse is equipped with ventilation, warnings and symbols of OHS hazards, MSDS, emergency response facilities such as fire extinguishers, eye washes, and first aid kits.

**7.2.8**

Based on field observations at the Chemical Warehouse, as well as interviews with operators in each Plantation and Factory, it is known that used pesticide containers will be stored in temporary shelters for Hazardous and Toxic waste which were built with OHS and environmental aspects in mind. The water used for rinsing will be reused as mixing water for chemical activities.

Based on the results of field visits to employee housing areas, it was found that there were no traces of used pesticide packaging, for example as water reservoirs or flower pots.

**7.2.9**

Based on observation and interviews with the company, it is known that the company does not carry out spraying activities by air.

**7.2.10**

The CH has shown health checks to pesticide handling workers. The company shows the results of the cholinesterase examination in March 2021, November 2021, and July 2022. In July 2022 there was 1 worker whose Cholinesterase value was above the threshold. The company transferred the worker to a no chemist job and was recommended for re-cholinesterase checks.

**7.2.11**

The CH has a Memo from the Manager dated January 1, 2020 to the Division Assistant and the Sei Intan unit regarding the prohibition of employing female employees who are pregnant and breastfeeding and minors for chemical work. The results of interviews with spray workers, it is known that there are no sprayers in pregnant and lactating conditions, as well as underage. The results of the interview also revealed that if there are workers who are pregnant or breastfeeding, they will be transferred to jobs that are not related to chemicals.

**Status: Comply**

**7.3**

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

**7.3.1**

The company shows identification of waste sources for the 2021/2022 period with details: ex sacks of fertilizer, inner plastic of fertilizer sack, used oil from generator, used neon/lights, wastewater, EFB, Shell, fiber, dash of boiler, domestic waste, paper and others.

Sources of emissions include:

- CO2 Gas: Transportation of FFB, CPO Shipping, Operation of heavy equipment, operation of generator & electric pumps, management of WTP, boilers, laboratory activities, waste ponds and Mill processes.
- Gas NO2 & SO2: Activities in the laboratory.
- Gas CH4: Fertilizing activities and WWTP ponds.

**Hazardous and Toxic waste**

Hazardous Waste generated by the Estate and Factory will be stored in the Temporary Storage of Hazardous Waste owned, then it will be transported by a licensed third party which will then be handed over to the licensed Hazardous Waste manager. The company has a temporary storage permit for hazardous and toxic waste based on the Decree of the Regent of Rokan Hulu Number Kpts.503/DPMPSTP-IPSLB3/12/IX/2018 dated 27 September 2018 with a validity period of 5 years.

In terms of carrying out the transportation of Hazardous waste, the company cooperates with the licensed Hazardous Waste Transporter, namely PT Fadillah Barokah Sumut. The company can show a cooperation agreement with the carrier,

namely the Cooperation agreement with number 5.PST/S.PERJ/25/VI/2022 which was agreed on January 22, 2022 with the validity period of the agreement until January 12, 2023.

The company has shown proof of delivery to licensed carriers and collectors, namely PT Fadillah Barokah Sumut with transportation using vehicle No. DA 8607 PN. On March 17, 2022, hazardous and toxic waste (LB3) has been delivered from the following units:

- Used packaging of 0.188 Tons of Hazardous and Toxic Materials with KLHK-1630266326 Manifest.
- Used battery as much as 0.06 tons with Manifest KLHK-1630266448
- Used oil as much as 0.0495 tons with Manifest KLHK-1630266568
- Electronic waste as much as 0.009 Tons with Manifest KLHK-1630813210

#### Solid Waste

The solid waste produced by the company is shell, fiber and EFB. The management plan is carried out by reusing solid waste such as shells and fiber to be reused as boiler fuel. Meanwhile, solid waste such as EFB is reused by applying it to plantation areas. This is evidenced by the results of field visits during audit activities that the company has utilized shells and fiber for boiler fuel, while EFB is reused for plantation land.

#### POME

Liquid waste (POME) generated from the factory is reused for Land Applications. Before being channeled to LA, the liquid waste (POME) is first managed at the WWTP with the aim that the quality of the liquid waste (POME) that flows into LA is in accordance with the provisions. This is evidenced by the results of field visits at the WWTPs, it is known that before being distributed to LA, the liquid waste (POME) is first in the WWTPs, besides that there are no indications of environmental pollution by the company.

#### Domestic Waste

Domestic waste generated from housing and offices will be disposed of in Landfills. This is evidenced by the results of field visits to the Landfills area that the domestic waste generated will be placed in landfills. In addition, the location of landfills is far from residential areas and water sources.

Based on document verification and the results of field visits, it is known that the Company has identified waste which was updated on June 7, 2021, where liquid waste (Leachate) from the EFB Pile has been identified. The company already has a leachate waste management plan by draining leachate in irrigation canals and going to the WWTP pond. The results of field observations in the Empty Bunch Area (EBA) of Sei Intan Mill it is known that there is leachate waste in the EFB pile but it has the potential to be polluted to the environment. The company has the opportunity to ensure that the management of leachate from the EFB pile is carried out in accordance with its management plan. (OFI)

#### **7.3.2**

Based on document verification, interviews and field observations, the following evidence was obtained:

- The Document Identification of Types of Waste and Management Plan with Document Number FOR/MR/2.03 which was updated on June 7, 2021 stated that the plan for the management of waste types Inner sacks of used chemicals, used packaging, used lamps, and other hazardous wastes is to submit them to the storage area. while Hazardous Material Waste Mill unit with cover letter.
- The Environmental Management SOP Number SOP-TEP-002 dated January 1, 2020 states that any packaging of waste Hazardous materials produced by the unit are not allowed to be reused other than handed over to an authorized third party.
- The Work Instruction for handling used cans and used oil filters with Document Number IK-TEP-126 dated January 1, 2020 states that the management of used cans is by sending them to a temporary storage place for hazardous waste.
- Based on the results of interviews with company representatives, it is known that hazardous material waste generated from the Estate unit will be handed over to the Mill unit's temporary storage of hazardous material waste.



- The results of observations in the Empty Bunch Area (EBA) Mill area found 4 Pcs of used paint packaging and there was Inner Fertilizer piled up in EFB.
- The results of field observations at the Mill Domestic IPAL found 3 Pcs of used packaging for hazardous materials, 4 Pcs of used paint packaging, and 1 Pcs of used thinner packaging that had not been submitted to the temporary storage area for hazardous materials waste.
- The results of field observations in the former warehouse for the temporary storage of Hazardous Waste in the Estate unit, it was found that several types of Hazardous waste had not been submitted to the temporary storage area for the Hazardous waste of the Mill unit, namely the types of used lamps, used chemical packaging, used paint cans, used oil packaging, and drums. used oil packaging.
- The results of field observations in the Workshop area of the Estate unit found 4 Pcs of used Pertamina drums which were reused as a buffer for Dump Trucks.

Based on this evidence, the Company has not been able to show evidence of B3 waste management in accordance with the procedures it has. **This becomes NCR No. 2022.06 with Minor Category**

**7.3.3**

Based on field visits to employee housing and warehousing areas, both estates and factories, it was found that there were no burning or open burning for waste destruction. Each housing has provided a trash can for domestic waste such as organic and inorganic. Hazardous and toxic waste will be collected in a temporary storage area for Hazardous and Toxic Waste.

7.3.2	Status: NCR No. 2022.06 with Minor Category	
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**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 had procedures and WI's related fertilizer/manuring activities, such as :
- SOP for Maintenance of Immature Oil Palm Plants (Document No. 05-SOP/TAN/PTPN-V/2010).
  - SOP for Maintenance of Oil Palm Mature Crops (Document No. 13-SOP/TAN/PTPN-V/2010).
  - WI LCC Maintenance (Document No. 18-IK/TAN/PTPN-V/2010).
  - SOP for Formulating Fertilization Recommendations (Document No. 16-SOP/TAN/PTPN-V/2010).
  - WI Cooperation in making Fertilization Recommendations (No. 81-IK/TAN/PTPN-V/2010)
  - WI Leaf Sampling and Analysis (No. 82-IK/TAN/PTPN-V/2010)
  - SOP for Fertilization Implementation (Document No. 18-SOP/TAN/PTPN-V/2010).

The company has demonstrated the implementation of good cultivation practices. Examples include soil analysis and leaf analysis as the basis for fertilizer recommendations and the application of empty bunches and POME.

**7.4.2**

The company shows the 2021 Fertilizer Recommendation Report issued by the IOPRI Institute. The recommendation is based on leaf analysis taken from 4 Division. Leaf test parameters were the content of N, P, K, Ca, and Mg. Soil analysis was carried out on February 10, 2021. Soil test parameters, including pH content, Organic C, and CN Ratio.

**7.4.3**

The CH has been doing the recycling of nutrients by applying empty bunches and land applications. The results of the document study revealed that in June there were applications for 21,230 kg of empty bunches. For land application, as much as 13,355 m for 129 ha.

**7.4.4**

The CH can show records of fertilizer use, for example fertilizer use up to June 2022 as follows:

Pupuk	Total (Kg)
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NPK 13	982,899
UREA	135,898
RP	16,452
TSP	31,454
MOP	198,408
DOL	356,900
BORATE	11,062

Overall, it has achieved 46% of the 2022 recommendations and still InProgress.

Status: Comply

**7.5 Practices minimise and control erosion and degradation of soils.**

**7.5.1**  
The CH has had the maps that describes the soil condition in operational area. The making of maps was in cooperative with PT Bina Alam Lestari (consultant). Those maps are (in scale 1:100.000):

- Map of soil type. In the operational area are Dystropepts, Ka hapludults, Hapludox, and Tropaquepts.
- Map of river (on HCV map)
- Map of slope class: all of operational area was 0 – 8 % (flat)
- Map of topography. The contours shown that the area was flat.
- Map of geology. The soils were formed from old aluvium, *fomasi Minas, fomasi petani, fomasi telsa*.

Based on those maps and field observations during the audit, known that all operational area consists of mineral soil, there is no peat soil or marginal/fragile soil, and the topography is flat, there is no application of contour terrace.

**7.5.2**  
At the time the audit activities were carried out, there were no replanting activities. The company carried out replanting in 2017 and 2018 and based on the replanting plan document, it is known that replanting activities will be carried out again in 2022 and 2023. Based on the results of the study of the slope class map document and field visits, it is known that the condition of the company area is flat with a slope of 0-8% and there is no application of contour terraces.

**7.5.3**  
Based on the results of the study of the area statement document, it is known that the company did not carry out new plantings, the company only carried out replanting activities and the last one was carried out in 2018.

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**  
Based on the results of the document review of the statement area and interviews with company management, it was found that there was no development of new oil palm plantations. The planting years for Sei Intan Estate were 1997, 1998, 2004, 2011, 2012, while the planting years for 2017 and 2018 were replanting.

**7.6.2-7.6.3**  
There is no new area development.

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 – 7.7.7**

There is no peatland managed by PT Perkebunan Nusantara V. The company has shown a land type map document for PT Perkebunan Nusantara V Sei Intan Estate with a scale of 1: 100,000. Based on the map, it is known that the soil types contained in PT Perkebunan Nusantara V Sei Intan Estate are Dystropepts, Ka hapludults, Hapludox, and Tropaquepts.

**Status: Comply**

**7.8**

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

**7.8.1**

The company has implemented a water management plan consisting of:

- Do not apply chemicals in river border areas
- Not disposing of liquid waste into rivers but reusing it to plantation land. Before being used, the liquid waste must be managed at the WWTP so that the quality meets the standards set by the government.
- Utilizing water for factory processing in accordance with the standards set by the company.
- Conduct river water quality testing.

Based on field observations through the tributaries of the hot tributary in Blocks 12 E Division 1 Estate Sei Intan, 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.

The company has a surface water quality monitoring program which is conducted every semester by a KAN accredited Laboratory (LP-516-IDN) on December 14, 2021. The monitoring location is on a river for the scope of the company's operational areas, namely the Rokan Hulu and Hillir rivers. Currently the company is testing surface water using quality standards that refer to PP 22 of 2021 Class II. The results of the test will then be reported to the relevant Office through the RKL-RPL Report every semester.

Parameter	Standard	River	
		Rokan Upstream	Rokan Downstream
Total Suspended Solid (mg/l)	50	45	48
pH	6 – 9	6.77	6.88
BOD <sub>5</sub> (mg/l)	3	2	3
COD (mg/l)	25	16	20
TDS	1000	424	515

Based on the results of surface water quality testing, it is known that all parameters are still in accordance with PP 22 of 2021 for Class II.

The results of observations and interviews with workers show that the company has also provided access to clean water for workers by providing hygienic water for drinking and water for daily needs.

**7.8.2**

The company has carried out replanting in 2018, but the replanting location is not in the river border area. Based on the results of field visits to the Block 14 E and Block 10 E Division 1 River Borders, it is known that the river border areas have been planted with plants such as king grass, Matoa, Waru, Teak, Mangosteen, Mahogany and Jambu Air. This is done by the company as an effort to make the river border natural.

**7.8.3**

The company can show the results of measuring the quality of liquid waste that is applied to the land, namely the document of the results of testing liquid waste for the last 12 months. The test is carried out by an accredited laboratory of KAN (Environmental Laboratory of the Rokan Hulu Regency Environmental Service) using quality standards that refer to the Decree of the Minister of Environment Number 28 of 2003. . The test results are as follows:

July 2021 with BOD 441.48 (BM: <5,000) and pH 7.89 (BM: 6-9).  
 August 2021 with BOD 691.86 (BM: <5,000) and pH 8.01 (BM: 6-9)

September 2021 with BOD 744.73 (BM: <5,000) and pH 7.94 (BM: 6-9)  
 October 2021 with BOD 495.36 (BM: <5,000) and pH 7.90 (BM: 6-9)  
 November 2021 with BOD 964.17 (BM: <5,000) and pH 7.10 (BM: 6-9)  
 December 2021 with BOD 886.05 (BM: <5,000) and pH 7.30 (BM: 6-9)  
 January 2022 with BOD 901.75 (BM: <5,000) and pH 7.50 (BM: 6-9).  
 February 2022 with BOD 840.15 (BM: <5,000) and pH 7.30 (BM: 6-9)  
 March 2022 with BOD 1,115.28 (BM: <5,000) and pH 7.60 (BM: 6-9)  
 April 2022 with BOD 1,187.65 (BM: <5,000) and pH 7.40 (BM: 6-9)  
 May 2022 with BOD 1,204.18 (BM: <5,000) and pH 7.60 (BM: 6-9)  
 June 2022 with BOD 1,192.73 (BM: <5,000) and pH 7.30 (BM: 6-9)

The company already has a waste water disposal permit by application to the ground in the form of utilizing waste water from the palm oil industry on land in oil palm plantations with a Land Application system in accordance with the Decree of the Regent of Rokan Hulu Number KPTS.503/DPMPSTP-IPAL/04/VI/2020 in May 20, 2020 with a validity period of 5 years.

Based on observations in the LA area, namely in Block D8 Division 1 Sei Intan Estate, it is known that the flat bed condition has no indication of leakage. In addition, the company provided one flat bed which was vacated in anticipation of an overflow. The results of observations at WWTP also found that liquid waste (POME) has been managed at WWTP, there is a pond to manage liquid waste (POME), there is no indication of leakage and overflow in the WWTP pond and a flow meter to calculate the amount of liquid waste (POME) that is flowed. to Land the application is available and works well.

**7.8.4**

The company has a water resource exploitation permit based on the decree of the minister of public works and public housing number 454/KPTS/M/2020 dated May 6, 2020 which is valid for 5 years from the date of stipulation. The maximum quota for water intake discharge is 14.88 liters/second or 48.911 M3/month.

The company can show records of water use for palm oil processing for the period January – December 2021. The total use of water used by the company is 266,248 m3 with a total processed FFB of 181,066.36 tons. The average water use every month is 22,187.33 M3. Based on document verification, it is known that the use of water used by the company is still in accordance with the surface water utilization permit owned by the company.

The company has paid the surface water tax in accordance with the bill from the Regional Revenue Agency of the Riau Provincial Government for the water bill for the period of June 2022. Based on document verification, it is known that the payment of the water bill made by the company is in accordance with the bill from the Regional Revenue Agency of Riau Province with the payment made on June 29, 2022.

	<b>Status: Comply</b>	
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**7.9**  
**Efficiency of fossil fuel use and the use of renewable energy is optimized.**

**7.9.1**

The plan to increase the efficiency of the use of fossil fuels and optimize the use of renewable energy by the company is to use shells and fiber as boiler fuel which is used to generate turbines to generate electricity. The use of energy generated from the turbine is monitored every day.

Sei Intan POM has an Energy efficiency document in 2021 for the use of fossil fuels or the use of renewable fuels. The calculation of efficiency with the use of fossil fuels during 2021 (January-December) is concluded as follows: FFB Processed during 2021 is 181,066.36 tons using renewable fuels such as shells of 12,529.67 tons and fiber of 23,539.62 tons. The turbine produced from the use of Shell and Fiber is 4,344,840 Kwh or 23.86 Kwh/Ton FFB, while the generator used is 199,813 Kwh. The efficiency of renewable energy used by the company is 95.59%.

	<b>Status: Comply</b>	
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**7.10**  
**Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and**

monitored and new developments are designed to minimise GHG emissions.

**7.10.1**

The company also has conducted GHG emission calculations period 2021 (January-December) use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

**Summary of Net GHG Emissions**

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	0.70
PK	0.70

Production	t/yr
FFB processed	181,066.36
CPO produced	40341.19
PK produced	7536.52

Extraction	%
OER	22.28
KER	4.16

Land use	Ha
Planted area on mineral	18102.63
Planted on peat	0
Total area planted	18102.63
Conservation Area (Forested)	0
Conservation Area (Non-Forested)	25.51
FFB Production per hectare	26.28

**Summary of field emission and Sinks**

Description	Own crop		Group		3 rd Party	Total
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB		
Land conversion	30545.25	0.38	33154.78	0.45	0.00	63700.03
CO <sub>2</sub> emissions from fertilizer	3186.36	0.04	3153.96	0.04	0.00	6340.32
NO <sub>2</sub> emissions from peat	0	0.00	0	0.00	0.00	0.00
NO <sub>2</sub> from Fertilizer	2619.08	0.03	2038.93	0.03	0.00	4658.01
Fuel consumption	0.31	0.00	0.58	0.00	0.00	0.88
Peat oxidation	0	0.00	0	0.00	0.00	0.00
Sinks						
Crop sequestration	-27277.09	-0.34	-30013.62	-0.41	0.00	-57290.71
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>9073.91</b>	<b>2.93</b>	<b>8334.62</b>	<b>0.11</b>	<b>4194.52</b>	<b>21603.05</b>

**Summary Oil Mill Emissions and Credits**

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
Emissions sources		
POME	11366.20	0.06
Fuel consumption	327.37	0.00
Grid electricity	0.00	0.00

Credits		
Export of grid electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
<b>Total</b>	<b>11693.57</b>	<b>0.06</b>

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

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

**POME Divert to Anaerobic Digestion**

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

The auditor team has verified the GHG palm that has been carried out by the company. Based on the verification results, it is known that the GHG palm input data is in accordance with the actual conditions. This is evidenced by the results of verification of the amount of FFB production from the Sei Intan Estate, planted area of the Sei Intan Estate and the distribution of planting years, as well as the area of HCV. The difference in HCV area is caused by the Sei Rokan Estate and Sei Berlian Estate units which are in the same group as Sei Intan Estate are included in the GHG calculation.

**7.10.2**

No new planting activities after 2014, the company did not conduct new land clearing activities or development of operational areas.

**7.10.3**

Based on document review and interviews with company representatives, it was found that there were no new developments. The company has identified the source of pollution in the mill and estate, the document informs the source (station/activity), source of pollution and emission, impact (human, work equipment, environment) and impact control. For example, from the boiler it produces boiler ash, steam and chemical pollution, from the engine room it produces pollution in the form of noise.

Efforts to reduce pollutants carried out by the company include:

- Monitoring air quality and emissions from boilers and generators
- Carry out liquid waste management in WWTPs before being used in plantations
- Perform regular machine maintenance.
- Optimizing the use of fertilizers according to recommendations
- Use of fibre and shells in mills to reduce diesel fuel.

The company has carried out emission testing from boilers and generators, as well as ambient air quality which was carried out in semesters 1 and 2 of 2021 by a KAN accredited laboratory (LP-516-IDN). Based on the results of the document review, it is known that the results of the tests carried out are in accordance with the provisions stipulated by the Government.

**Status: Comply**

**7.11**

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

**7.11.1**

The company showed PT Perkebunan Nusantara V's IK with document number 11-IK/TAN/PTPN-V/2010 which was approved by the Director of Production, it was explained that the chopped clumps of oil palm trunks should not be burned or zero burning. Tree trunks that have been uprooted are chopped first and then collected / piled up on a predetermined pile path.

The Company did not carry out new plantings or additions to the scope of the previous assessment. Based on the review of the replanting plan document, the Company carried out the last replanting in 2018. A field visit to the former replanting area in 2018 revealed that there was no indication that oil palm felling was carried out using the burning method.

**7.11.2**

In determining land fire prevention and control measures, the company carries out several activities, namely:

- Fire emergency response simulation training for employees, for example on December 14, 2021, which was attended by the Estate and Factory Fire Task Force.
- The company has an emergency response team to handle fire emergencies. The company already has an emergency response team for each estate and factory.
- Have facilities and infrastructure for emergency response prevention and management of land fires.
- Conducting socialization of land fires to the surrounding community, for example on 27 July 2022 which was attended by 32 communities from Kembang Damai Village.
- Monitoring land fires through fire patrols, hot spots (hotspots), and through fire towers which are carried out every day. For example, the results of fire monitoring for the June 2022 period revealed that there were no hotspots in the company area.

The auditor team has also carried out fire control simulations for the fire task force team at Sei Intan Estate and tested the company's fire control facilities and infrastructure. The simulation results show that the Company's fire task force team can run the simulation well and fire fighting equipment can be used at any time.

**7.11.3**

The company has involved stakeholders around the company's operations in carrying out fire prevention and control measures by conducting socialization to the community. The company can show a recording of the socialization of land fire control and prevention, for example on 27 July 2022 to 32 Village Communities around the Company such as from Kembang Damai Village, *Bintara Pembina Desa* (Babinsa), and employees.

**Status: Comply**

**7.12**

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

**7.12.1 & 7.12.8**

The company presented a disclosure of liability report for the Sei Intan unit on August 2, 2018 (date of submission) which stated that land clearing was carried out in 1986 so that until now there was no new land clearing. The activities carried out by the company are replanting activities (Second cycle).

An email is available from PTPN V – Sei Intan unit to [rspocompensation@rspo.org](mailto:rspocompensation@rspo.org) on August 3, 2018 and has been responded to by [rspocompensation@rspo.org](mailto:rspocompensation@rspo.org) on August 6, 2018 stating PTPN V – Unit Sei Intan has not planted after November 2005 with status No liability so that the certification process can be continued.

On 30 November 2022 there was an email from RSPO regarding the RSPO PalmTrace Review on Disclosure Annex 2, which explained the incomplete disclosure record. The company has responded to the email from the RSPO on 16 December 2022 and the communication between the company and RSPO continues until an email from the RSPO ([rspocompensation@rspo.org](mailto:rspocompensation@rspo.org)) on 23 December 2022 states that Based on the disclosure provided, *Kebun Sei Intan* (3286.40 ha) has been disclosed with no new land clearing without prior HCV assessment since Nov 2005 (No Liability).

**7.12.2**

The company has conducted an HCV assessment with the scope of the Sei Rokan SBU covering an area of 19,716.64 ha, of which the details for the Sei Intan plantation are 3,286.40 ha. The assessment was carried out by the Consultant PT Bina Alam Lestari on 16-23 June 2013. In the document, the HCV area is set at 2.63 Ha in the form of a tributary of the Kepanasan River (HCV 4.1). A public consultation was conducted on June 12, 2013 involving the community around the PTPN V Sei Rokan SBU located at Mess SRO. The 72 stakeholders who attended consisted of: Community leaders from Ngaso Village, Binmas Pagaran Tapah, Traditional Head of Ngaso Village, Old Town Village Head, Head of Kembang

Damai Village, Sector Police, Dayo Village, Bono Tapung Village, Hot Water Village, Pendalian Village, Tandun Village, Suligi Village, Bengkolan Salak Village, community leaders from Sei Kuning Village, District Secretary, Koramil Captain, and others (Evidence of attendance list documentation). A peer review of the HCV report was conducted on August 21, 2013 by Dr. Jarwadi Budi Hernowo (Independent Consultant).

Based on document verification, it was found that there were no new plantings or new land development after 15 November 2018 so the company has no obligation to conduct an HCS study.

#### 7.12.3

Based on the notice on the RSPO website it is known that the High Forest Cover Landscapes and High Forest Cover Countries have not been established by the RSPO. So that this standard has not yet been assessed.

#### 7.12.4

The company already has an HCV program for 2022 based on the evaluation results of the previous period's HCV management realization. The HCV program is 1 year and will be evaluated. The plan contains a plan for management, monitoring, time management and the person in charge of implementation. The HCV management matrix describes the management plan consisting of:

- Patrol and Monitoring of disturbance intensity (fire/occupation/encroachment) in the area of the Kepanasan river
- Maintenance of border markings of river and border areas
- Rehabilitation and enrichment in river border areas
- Marking spray boundaries along river border areas and not applying chemicals in river border areas
- Prohibition of hunting for flora/fauna
- Socialization to the community and employees.
- Monitoring animals and plants

The company has also carried out an annual review of the management of high conservation value areas which was carried out in December 2021. This activity was carried out to analyze the opportunities and challenges of the identified potential HCVs in the hope that they would be input for the next HCV management plan. These activities are carried out by involving stakeholders such as the surrounding village community and employees.

An integrated management plan has been developed in consultation with relevant stakeholders and includes directly managed areas and broader and relevant landscape level considerations. This is evidenced by the company's HCV management plan which was developed by involving stakeholders such as the surrounding village community and employees. Management activities planned by the company also include areas that are managed directly and take into account the wider landscape such as maintaining the presence of HCV (Sempadan Anak Sungai Kepanasan), anticipating land fires in the company area and in the area around the company, increasing employee and community knowledge by conducting HCV socialization.

The company can show some implementation of the HCV management and monitoring plan for the period 2021, for example:

- Minutes of planting *Jati, Jambu Air, Matoa, dan Gelagah* wood plants at the border of the hot tributary Block 14 E with 10 seeds each in May 2021.
- Minutes of the installation of the HCV area sign board at the Sungai Kepanasan Anal Border Block 14 E Division in March 2021.
- News Acata The patrol of the HCV area was carried out on April 10, 2021 in Blocks 14 E and 10 E with the results of patrols that the condition of the HCV area was maintained and river water was flowing and there was no indication of chemical spraying.
- Minutes of socialization of the existence of the HCV area including flora and fauna to the community of Kembang Damai village which is carried out on the stairs; November 1, 2021 which was attended by 25 participants.
- The results of animal and plant monitoring carried out during 2021. The types of animals that are still found include *Musang, Tupai, Kipasan, ular phyton, Biawak, dan Cekakak Belukar*

#### 7.12.5



The results of interviews with the people of Kembang Damai and Kota Lama villages and field visits did not find any community areas designated as HCV areas. The company's HCV area is within the scope of the PTPN V HGU located in Division I, namely the *Anak Sungai Kepanasan*.

#### 7.12.6

The company has a program to educate the workforce about RTE species status. The program is also included in the Company's HCV management plan. The program includes activities to increase knowledge and skills (for all staff and plantation employees, especially special officers in charge of managing HCV/HCV and monitoring important species, especially endangered species).

The company routinely conducts socialization to the community and workers in the company regarding the existence of endangered plants and animals, which is carried out in conjunction with the socialization of HCV areas, for example:

- Minutes of socialization of HCVs including the presence of important species conducted on 22 January 2021 to 57 workers.
- Minutes of socialization of the existence of the HCV area including flora and fauna to the community of Kembang Damai village which is carried out on the stairs; November 1, 2021 which was attended by 25 participants.

Based on interviews with harvesting and spraying officers at Sei Intan Estate, it is known that the company prohibits workers from keeping protected animals and plants and is prohibited from catching, hunting, and killing animals as well as prohibiting the destruction of HCV areas.

#### 7.12.7

The company has monitored the management of HCV on a regular basis according to the plan it has, in addition to that every 1 year periodic monitoring is carried out by an independent party and the results are included in the monitoring report for high conservation value areas in the Sei Rokan SBU area, the last monitoring was carried out in December 2021. The results of the monitoring of HCV management are as follows:

- In general, the managers are aware of the operational standards in managing HCV areas in the field, the support and cohesiveness of the plantation management starting from management employees to implementing employees is maintained because the relationship and communication as well as internal coordination are very good.
- The existence of HCV areas and their management activities still need to be socialized on a regular basis (maximum once a year) with the target participants being community elements (village government, community leaders, etc.). Likewise, evaluation of management activities in the field needs to be carried out on a regular basis, the plantation unit can do it for monthly, semi-annual or once a year activity programs accompanied by a third party. This is important to build the capacity of managers to carry out their commitment to the principles of sustainable Plantation management
- The results of field observations and tracking of hotspot monitoring from related institutions indicate that in the Sei Intan plantation area there are no hotspots that lead to land fires.
- The rehabilitation or enrichment plant maintenance activities have been carried out well, it is hoped that all HCV pathways in the estate can be implemented.

The follow-up actions taken by the company from the results of the evaluation carried out are as follows:

- Adding rehabilitation activities or enrichment of border areas with already planted species or adding other types such as fruit trees or local forest plants, leading upstream and downstream of the river from the monitoring point.
- Nameplates, warning boards, HCV boundary signs, chemical boundaries that have been repaired need to be maintained by all parties so that the presence of HCV areas is clearly known to all passing parties and creates chemical boundaries in areas leading upstream and downstream of the river.

Based on the evaluation results, it is known that the implementation of HCV area management is going quite well. The follow-up to the evaluation results is used as input for the management and monitoring of the HCV area in the next period. The results of interviews with the company's PIC, the results of the evaluation carried out will be used as input for the implementation of monitoring HCV and RTE Species for the next period.

Based on document verification, it is known that the company has been monitoring animals and plants for the period of 2021. The status of animal protection as a result of the monitoring carried out is still based on PP No. 7 of 1999. Currently, the regulation regarding the status of animal protection is Permen LHK 106 of 2018. The company has the opportunity to ensure the status of animal protection from the results of animal monitoring carried out in accordance with Permen LHK No 106 of 2018. (OFI)

Based on the results of field observations in the HCV area of Kepanasan Border Block 12/14 E Division 1, it is known that there is a spray limit in the form of a blue cross (X) on 2 palm trees. Furthermore, the auditor team also conducted field observations in the HCV area of Kepanasan River Border Block 10 E Division 1, it was found that there was no spray limit sign on the oil palm trees, but in that area, there were no traces of chemical application and the area was treated manually. The company has the opportunity to ensure the spray limit in the HCV area, especially in areas leading upstream and downstream of the river. (OFI)

	Status: Comply	
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3.2 Conformity Checklist of Certificate and Trademark Use

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or ✓</b>
ASA-3	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 trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or ✓</b>
ASA-3	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 Trademark is not used on product</b>	<b>X or ✓</b>
ASA-3	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 Trademark, including withdrawing inappropriate trademark.</b>	<b>X or ✓</b>
ASA-3	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 PT Perkebunan Nusantara XIII subsidiary of PTPN III against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

PT Perkebunan Nusantara III Time Bound Plan (TBP) is explained in table 1.10. PT Perkebunan Nusantara III has 10 (ten) subsidiaries with 63 (sixty-three) mills. PT Perkebunan Nusantara III has informed the TBP progress, MUTU has considered that PT Perkebunan Nusantara III is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PT Perkebunan Nusantara III on January 2021.

MUTU has verified partial certification for un-certified unit's subsidiary of PT Perkebunan Nusantara III based on their Time Bound Plan. There are 28 uncertified mills and 77 uncertified estates of PT Perkebunan Nusantara III. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	PT Perkebunan Nusantara III has carried out self-assessment (i.e internal audit) against uncertified management units dated on 1 December 2020 by PT Perkebunan Nusantara III, PT Perkebunan Nusantara III has submitted some self-assessment reports year 2021 on behalf PTPN III, PTPN V, PTPN VI, and PTPN VIII. It has supported evidence of the self-assessment against each requirement such as self assessment reports
2.1.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>PTPN III</b></p> <p>Based on document verification sighted that all uncertified unit has conducted LUCA and submitted to the RSPO:</p> <ul style="list-style-type: none"> <li>- KRBTN dated 20 August 2021, there are raw non-compliant land clearance with area 489.83 Ha.</li> <li>- KBDY dated 20 August 2021, there are raw non-compliant land clearance with area 116.20 Ha.</li> <li>- KKINO dated 18 August 2021, there are raw non-compliant land clearance with area 477.85 Ha.</li> <li>- KJLRS dated 18 August 2021, there are raw non-compliant land clearance with area 3,823.91 Ha.</li> </ul> <p>The KBDBY and KRBTN has conducted HCV-HCS</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>assessment by CV Greenera dated 19 to 23 October 2021. While the KNINO and KJLRS will be assessed on June 2022 by ALS- HCV. The company to be consider to realization this plan on June 2022.</p> <p>PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PTPN III. The company still waiting for Head of District decision response, for land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <ol style="list-style-type: none"> <li>Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Ba- tang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018.</li> <li>Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</li> </ol> <p><b>PTPN V</b></p> <p>Based on document review, there was no evidence that the company (PTPN V) has changed any primary forest and/or HCV area into palm oil plantation since November 2005 except Part of Sei Berlian estate (Sei Berlian-2) within forest areas based on Ministry of Forest decree No.SK.878/Menhut-II/2014 jo SK.903/MENLHK/SETJEN/PLA.2/12/2016). The organization has got Land Use Right (HGU) from government before the regulation above was issued so that the organization still coordinating with government about case it. Whereas, Sei Buatan estate, Tanjung Medan estate and Sei Galuh estate still in-process review of disclosure liability by RSPO secretari-at so they has not been ensured that no replacement to any identified as HCV areas or</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>required to maintain or enhance HCVs. All planted areas after November 2005 are from re-planting process without NPP replacement. This company is considered old company under State Owned (Ministry of BUMN).</p> <p><b>PTPN VI</b> Uncertified management units has conducted HCV assessment such as :</p> <ul style="list-style-type: none"> <li>• Unit of Batanghari Business (Batanghari Estate), Unit of Bunut business (Bunut Estate &amp; POM), Unit of Tanjung Lebar business (Tanjung Lebar Estate &amp; POM) &amp; Unit of Durian Luncuk (Aur Gading POM &amp; Durian Luncuk Estate) : Date on 1 January to 11 November 2018 by Samsul Ulum (license : ALS15013US) as lead assessor and some assessor members i.e R.Sukasmianto, Moh.Yasin, Bahrun, Pemi Aprilis, Devis Rachman, Ihwan Rafina, Roland Sinulingga and Endra Gunawan on behalf PT Fodec Khatulistiwa. It has carried out public consultation dated on 20 February 2018 (initial public consultation) &amp; 4 June 2018 (public consultation for the result of HCV assessment). There are some evidences that public consultations has involved stakeholders. Current condition that HCV assessment report has been satisfactory category on 23 March 2021.</li> <li>• During audit, other the uncertified management units has not been carried out HCV assessment such as Unit of Ophir business (Ophir POM &amp; estate), Unit of Pangkalan 50 Kota business (Pangkalan 50 Kota estate), Unit of Solok Selatan business (Solok Selatan POM &amp; estate), Bukit Cermin Estate, PT Bukit Kausar &amp; PT MAJI but PTPN VI have budget &amp; the allocation activity plan year 2020 for HCV assessment in Unit of Ophir business, Unit of Pangkalan 50 Kota business and Unit of Solok Selatan business. Allocation Activity Plan year 2020 is postpone because any reduction operational cost in pandemic covid-19. PTPN VI have action plan and estimating cost for HCV assessment include of the review by HCV RN, HCS, LUCA &amp; SIA. Bunut estate &amp; POM, Batang Hari estate and Tanjung Lebar estate have estimate for finalization of HCV RN and LUCA document</li> </ul>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>in year 2021. Whereas, the remain of uncertified management unit is Triwulan I and IV year 2022. Before HCV assessment will doing by RSPO ALS assessor and has review by HCV-RN so uncertified management units has carried out assessment of protected areas refer to Indonesian regulation by internal assessor.</p> <p>Batanghari Business Unit (Batanghari Estate) &amp; Bunut Business Unit (Bunut Estate &amp; POM) has submitted disclosure liability, LUCA &amp; shp file to RSPO and RSPO has responded email from auditee on 29 January 2020 where RSPO is requesting some clarifications and auditee has not been submitted email to RSPO for some clarifications which needed. It is still waiting finalization of LUCA document.</p> <p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &amp; POM), Unit of Durian Luncuk Business (Aur Gading POM &amp; Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate &amp; POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form &amp; LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35<sup>th</sup> BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 &amp; 8 (compensation concept note &amp; compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12 There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b></p> <p>The Tanjung Lebar Business Unit postponed to February 2022, due to single membership consolidation and approval process by RSPO Secretariat and the Disclosure &amp; Liability of Tanjung Lebar is still pending. While the Disclosure &amp; Liability of Batang Hari Business Unit has approved by RSPO secretariat with Zero Liability dated 20 June 2020; the audit planned on 22 December 2021. Therefore the Disclosure &amp; Liability of Bunut Business Unit is still on process, the latest email from Indrawan Suryadi (RSPO Secretariat) dated 23 November 2021. For the Bunut Business Unit certification plan is on schedule (December 2021).</p> <p>There are also letter for SEVP Operation from Head of Planning &amp; Sustainability with number: ND-312/06.08/XI/2021 dated 25 November 2021 about RSPO certification preparation in Bunut &amp; Batang Hari Business units and also awareness criteria 7.12 RSPO P&amp;C and Risk Analysis for six business units (Ophir, PLK, Solsel, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p> <p><b>PTPN VII</b></p> <p>Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Senabing Estate: 2025 and Talopino Estate: 2024).</p> <p>Senabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>PTPN III</b> PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PTPN III. The company still waiting for Head of District decision response, for land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <p>c. Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Ba- tang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018.</p> <p>d. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</p> <p><b>PTPN V</b> Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &amp; POM), Unit of Durian Luncuk Business (Aur Gading POM &amp; Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate &amp; POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>liability because information inside of disclosure liability form &amp; LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35<sup>th</sup> BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 &amp; 8 (compensation concept note &amp; compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12 There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p><b>PTPN VII</b> Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after No-vember 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Senabing Estate: 2025 and Talopino Estate: 2024). Senabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>PTPN III</b> KRBTN There are several area in Division VII were occupied by com- munities and overlap with PT KAI. The unit management have made persuasive efforts to resolve it, however no agreement has been found. Currently was nothing significant land conflict.</p> <p><b>PTPN V</b> There was land conflict between PTPN V with community in Senama Nenek village, located in Sei</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Kencana Estate and Terantam Estate for approximately ± 2,800 Ha (± 550 Ha under Terantam Estate and ± 2,250 Ha under Sei Kencana Estate). During this initial audit, this area has been released in accordance with a court decision.</p> <p><b>PTPN VI</b> PT Perkebunan Nusantara VI have SOP of implementing FPIC, SOP of communication and consultation with community, SOP of handling land conflict including procedure of calculation and compensation.</p> <p>Land compensation process has done a few time ago for some areas in uncertified management units (Unit of Bunut Business, Unit of Tanjung Lebar Business, Unit of Batanghari Business, Unit of Durian Luncuk Business, Unit of Ophir Business). The record and document of land compensation on behalf PT Bukit Kautsar has provided by auditee as example photograph of hand over land compensation payment, land compensation letter date on 21 October 2009, letter date on 21 October 2009 from head of village, statement letter date on 21 October 2009 that land owners has agreed land to acquired, measure note date on 21 October 2009, receipt note of land compensation payment, ID card and land owner letter from head of village. Whereas, PT MAJI and Unit of Bukit Cermin Business has provided sample of land compensation i.e payment receipt, photograph of land compensation activity, copy ID card, agreement of payment, statement letter of hand over and legal land.</p> <p>Community who lose access and land right for plantation areas has given the opportunity to benefit (direct and indirect) from plantation development as sample in form of scheme smallholder areas, as employee, as contractor (transportation, supplier for daily food, etc), as FFB supplier, etc.</p> <p>Refer to case tracker or status of complaints under PT Perkebunan Nusantara VI period of February 2011 to during audit that any 1 cases and it has closed based complaint panel decision (since year 2019). Further details on this case are available here: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/26">http://www.rspo.org/members/complaints/status-of-complaints/view/26</a>. Unit of Bukit Cermin Business has provided some evidences relate of land compensation record and document from dispute/conflict areas.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b></p> <p>Based on document log book of external letter verification on the uncertified units sighted that there were no land dispute claim from the communities during period January to October 2021.</p> <p><b>PTPN VII</b></p> <p>The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>PTPN III</b></p> <p>Based on self assessment in KRBTN, KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on 8-9 November 2021.</p> <p><b>PTPN V</b></p> <p>There is no labour issue/dispute found during this initial certification audit.</p> <p><b>PTPN VI</b></p> <p>There is a mechanism of resolving grievance and compliant from employee and industrial action. It has covered in the collective labour agreement between PT Perkebunan Nusantara VI and SP- BUN PTPN VI (labour union) period of 2020 to 2021 (article 76 – sub section XIV) and SOP of internal communication and handling employee complaint. Scope of collective labour agreement is all company employees and as a normative reference for subsidiaries. Collective labour agreement has signed by both parties and any evidence of registration about collective labour agreement from Ministry of Man Power has been shown by auditee.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Based on self-assessment against uncertified management units, there is no identified labor disputes ongoing at subsidiary companies of PT Perkebunan Nusantara VI. Based on website date on 3 October 2017 that any labour dispute between Mr M.Dasuky Hajar Nasution and PT MAJI. Based on communication with representative of PTPN VI that it has followed up both parties. SP-Bun (labour union) have vital position because based on SOP of internal communication and handling employee complaint that employee's grievance &amp; complaint can be informing to labour union (SP-BUN) and organization will try to resolve complaints at the labour union level and any mechanism solving grievance and compliance from employee on collective labor agreement (PKB)</p> <p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b></p> <p>The renewable of collective labor agreement period of 2022-2023 is still on process, that the final meeting in Yellow Hotel will be conducted on 25 to 26 November 2021.</p> <p><b>PTPN VII</b></p> <p>There are no labour dispute during internal audit assessment, the company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>PTPN III</b> <b>KRBTN</b></p> <p>Letter from Sumatera Utara Governor with number 520.33/145/DISPMPPTSP/5/1.5/1/2018 dated 25 January 2018 about Revision of commodity from rubber to oil palm plantation in Rambutan Estate. Revision from Rubber: 2,253.35 Ha &amp; Oil Palm 546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha.</p> <p>There are several HGU certificate with HGU number 1 year of 1996 in Sei Bamban Village (569.32 Ha), Sei Priok Village (780.45 Ha), Paya Bagas Village (4,373.78 Ha); and also Sei Simujur Village (1) number 18 year of 2009 with area 793.15 Ha.</p> <p><b>KBDBY</b></p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><i>Surat Pendaftaran Usaha Perkebunan</i> with number HK.350/530/Dj.Bun.5/VII/2001 Bandar Betsy Estate with area 5,348.90 Ha with commodity rubber. Therefore conversion license from rubber to oil palm with number 503.35/271/17.42018 dated 12 February 2018 with area 116.2 Ha.</p> <p>HGU on process, the latest process are Nota Dinas number 419/ND-300.HP.03.01/VII/2021 from KANWIL BPN Sumatera Utara Province dated 1 July 2021 about Renewal of HGU Bandar Betsy with area 5,348.90 Ha dated 2 July 2021.</p> <p><b>KJLRS</b> IUP on process due to revision of AMDAL document. However there are HGU number 03 year of 1994 with area 2,318.87 Ha.</p> <p><b>KKINO</b> IUP on process due to revision of AMDAL document. However there are HGU number 122 year of 1999 with area 4,632.60 Ha. Based on Self-assessment there are some conditions not yet compliance with RSPO criteria 2.1 such as:  <ol style="list-style-type: none"> <li>HGU on process (Sei Simujur-2, KRBTN): There are letter from Senior Executive Vice President PTPN III dated 22 September 2020 with number BUMU/X/44/2020 to the BPN of Asahan District for Cadastral process. During the audit, the progress of this matter still opened.</li> <li>There is a land conflict (Batang Toru Estate) not yet resolved.</li> </ol> </p> <p><b>PTPN V</b> There has been no significant legal non-compliance in PTPN V and its subsidiary. The company is not in the process of any litigation. PTPN V has acquired HGU (land title) for all of its subsidiaries except the part of Sei Berlian estate (Sei Berlian- 2) because the organization still in-process to get Land Use Right (HGU).</p> <p><b>PTPN VI</b> Uncertified management units has complied with applicable legal requirement which supported by some evidences such as :  <ol style="list-style-type: none"> <li>Some uncertified management units (Ophir Estate &amp; POM, Solok Selatan Estate &amp; POM, Pangkalan 50 Kota Estate, Ba- tanghari Estate, Bunut Estate &amp; POM, Tanjung Lebar Estate &amp;</li> </ol> </p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>POM, Bukit Cermin Estate, Pinang Tinggi POM, Aur Gading POM, Durian Luncuk Estate &amp; PT Bukit Kautsar) have Plantation Business Permit (Izin Usaha Perkebunan) so they has complied with Minister of Agriculture Regulation no.98/permentan/OT.140/9/2013 article 8 or 10 or 13.</p> <p>2. Some uncertified management units (Ophir Estate &amp; POM, Solok Selatan Estate &amp; POM, Pangkalan 50 Kota Estate, Batanghari Estate, Bunut Estate &amp; POM, Tanjung Lebar Estate &amp; POM, Bukit Cermin Estate, Aur Gading POM, Durian Luncuk Estate, PT MAJI &amp; PT Bukit Kautsar) have land use right (Hak Guna Usaha) so they has complied with law no.5 year 1960 article 28. One of land use right owned by Durian Luncuk es- tate still renewal process and one of Bukit Kautsar areas still in-process to get land use right.</p> <p>3. Some uncertified management unit (Sei Bahar II Bunut POM, Solok Selatan POM, Tanjung Lebar Estate &amp; POM, Pinang Tinggi Estate &amp; POM, Bunut Estate, Batanghari Estate, Durian Luncuk Estate &amp; PT Bukit Kautsar) have environment document so they has complied with Minister of Environment Reg- ulation no.05 Year 2012 jo Minister of Environment &amp; Forestry Regulation no.P.38/MENLHK/SETJEN/KUM.1/7/2019 or Min- ister of Environment Regulation no.13 Year 2010 or Minister of Environment Regulation no.14 Year 2010.</p> <p>4. Bunut POM and Tanjung Lebar Estate &amp; POM have storage temporary for hazardous &amp; toxic materials waste and their permit so they has complied with Minister of Environment Regulation no.30 year 2009 article 5.</p> <p>5. Bunut POM and Solok Selatan POM have land application permit so they has complied Minister of Environment Decree no.29 year 2003.</p> <p>6. Unit of Tanjung Lebar Business, Unit of Bunut Business, Unit of Batanghari Business and Unit of Durian Luncuk Business have permit of release for forest areas from government (Minister of Forestry Decree no.260/KPTS-VII/1988 and no.418/KPTS-II/1990). Whereas, PT Bukit Kautsar have permit of release for forest areas from government too (Minister of Forestry Decree no.69/Kpts-II/1997 &amp; no.443/Kpts-II/1999 and letter from Head of Forestry Agency in Jambi Province no. S.6.802/Dishut/BIPH.1.2/XII/2015). PT</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Mendahara Agro Jaya Industri have permit of release for forest areas from government too (Minister of Forestry Decree no.954/Kpts-II/1999).</p> <p>7. Plantation Business Permit (Izin Usaha Perkebunan) on behalf PT MAJI (Head of Tanjung Jabung Timur decree No.30 year 2005) and PT Bukit Kautsar - Pengabuan POM (Governor of Jambi decree No.564/KEP.Gub/Disbun/2011).</p> <p>8. Environment Document on behalf Ophir Estate &amp; POM (letter no.213/II/DAR-3/1999), Solok Selatan Estate (head of Solok Selatan District decree No.660/152/KLH-2011), Pangkalan 50 Kota Estate (head of capital investment and integration service decree no.007/IL/DPMPSTP-LK/II/2020), Aur Gading POM &amp; Durian Luncuk estate (Governor of Jambi Province decree No.171/Kep.Gub/BLHD/2009), Bukit Cermin Estate (approved by No.100.A year 2011 on 3 October 2011) and PT MAJI (approved by No.76 year 2007 on 23 March 2007) was available.</p> <p>A documented system relate of law requirements and mechanism to ensuring compliance with legal compliance and a system to tracking changes to the law and regulation has covered in procedure of updating law and regulation and evaluation of compliance. All uncertified management units has provided the list of relevant law and regulation and the status of compliance because the mechanism to ensuring compliance with legal compliance has been implemented.</p> <p>Auditee has provided a legal land, map of legal land and a procedure of boundary monitoring where boundary monitoring shall be conducting every month and reporting in report of boundary monitoring result. Uncertified management units has provided the report of boundary monitoring result such as Unit of Tanjung Lebar business, Unit of Batanghari business, Unit of Solok Selatan business, Unit of Pangkalan 50 Kota business, Unit of Ophir business, PT MAJI, Unit of Durian Luncuk business, Unit of Bunut business, Unit of Bukit Cermin business and PT Bukit Kautsar.</p> <p><b>PTPN VII</b> The company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		Permenaker 19 of 2012. The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.

**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 & ASA-2 (Onsite Audit)**

NCR No.	: 2021.01	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 1 May 2021	Time Limit	: 30 July 2021
NC Grade	: Critical	Date of Closing	: 21 July 2021
Standard Ref. & Requirement	<p>3.8.12 Record Keeping</p> <ol style="list-style-type: none"> <li>i. Mill is required to keep records and reports covering all aspects of the RSPO SCCS requirements accurate, complete, current and accessible.</li> <li>ii. All records and reports must be kept for at least 2 (two) years and comply with legal requirements as stipulated in laws and regulations and be able to ensure the certified status of raw materials or products in storage.</li> <li>iii. For the IP Module, PKS is required to record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK in real time.</li> <li>iv. For MB Modules:             <ol style="list-style-type: none"> <li>a) Mill must record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK in real time and / or every three months;</li> <li>b) All volumes of certified CPO and PK shipped are subtracted from the material counting system according to the conversion ratio stated by RSPO;</li> <li>c) Mill can only send MB sales from positive stock. Positive stocks can include products ordered to be shipped within 3 (three) months. However, a Certification Unit is allowed to sell short where the product can be sold before it goes into stock.</li> </ol> </li> </ol>		
<p><b>Evidence observed (filled by auditor):</b> Based on the document review, the following evidences are known Mill has SOP Capable of Tracing Certified and Uncertified Products (traceability) with No. SOP-PEM/015 document. Based on the SOP, it was explained that if the supply of RSPO products is in a negative position, then Mill cannot send products with certified claims. If it is positive, then a transfer is made to become inventory for the next period.</p> <p>Based on the RSPO Daily and Quarterly Report documents for 2021, it is known that in the period January - March 2021:</p> <ul style="list-style-type: none"> <li>o Stock of CSPK in December 2020: 73,632 Kg</li> <li>o CSPK production in January 2021: 219,190 Kg</li> <li>o CSPK Production in February 2021: 220,148 Kg</li> <li>o CSPK Production in March 2021: 381,187 Kg</li> <li>o Total CSPK Production January - March 2021: 820,524 Kg</li> <li>o CSPK Sales in January 2021: 361,900 Kg</li> <li>o CSPK Sales in February 2021: 369,160 Kg</li> <li>o CSPK Sales in March 2021: 499,450 Kg</li> <li>o Total CSPK Sales January - March 2021: 1,230,510 Kg</li> </ul> <p>From this data, it is known that the number of CSPKs sold is greater than the CSPK produced, so that the CSPK stock until March 2021 is -409,986 Kg.</p>			

Based on the RSPO Daily and Quarterly Report documents for 2021, it is also known:

- o Total processed FFB on CPO mass balance for the period of January 2021: 7,254,580 Kg
- o Total processed FFB on CPO mass balance for the period February 2021: 8,335,140 Kg
- o Total processed FFB on CPO mass balance for the period March 2021: 12,088,170 Kg
- o Total processed FFB on CPO mass balance for the period January - March 2021: 27,677,890 Kg
- o Total processed FFB on the PK mass balance for the period of January 2021: 7,180,770 Kg
- o Total processed FFB on the PK mass balance for the period February 2021: 8,243,840 Kg
- o Total processed FFB on the PK mass balance for the period March 2021: 12,008,030 Kg
- o Total FFB Olah on PK mass balance period January - March 2021: 27,432,640 Kg

From these data, it is known that there are differences in total processed FFB on the mass balance of CPO and PK for the same period.

**Non-Conformance Description (filled by auditor):**

Based on the explanation above, it can be concluded:

1. The company sells the CSPK from negative stock
2. Mill has not recorded all aspects of the RSPO SCCS accurately, that is, there is a difference between the total processed FFB on the mass balance of CPO and PK for the same period.

**Root Cause Analysis (filled by organization audited):**

- There are differences in the interpretation of input sources in the mass balance report, the recording of the mass balance when referring to records in the palm trace according to the shipping announcement is still in positive stock, where shipments according to the contract as of April 2021 were recorded at 970.37 MT, while PK received in PKO storage (buyer) in the year 2021 amounting to 940.94 MT while certified PK production is 949.8 MT with the following details:

Shipping Announcement	Volume (Ton)
14-01-2021	287,41
23-01-2021	102,87
15-02-2021	238,19
9-03-2021	341,9
<b>Total</b>	<b>970,37</b>

- Error recording processed FFB on the mass balance of CPO and PK due to errors in inputting FFB from production workers when updating PK production data.

**Correction (filled by organization audited):**

- Improved the mass balance report by ensuring that the input data source refers to the palm trace.
- Improved reports of FFB production in PK production sheet.

**Corrective Action (filled by organization audited):**

- Coordinate with the PKO tandun that issues BA PK events sent through the RSPO scheme and the marketing division that issues the contract.
- Conduct SCCS socialization for production clerks and delivery clerks, to ensure that these personnel are familiar with SCCS procedures.
- Socialization to the Production clerk and the SCCS team was carried out on May 6-2021, which was attended by 8 participants and Mr. JP Sitanggang as the speaker (Documentation attached).

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

**Auditor verification 18 July 2021**

The company has shown evidence of improvement in the form of:

- Daily and quarterly reports for the period of 2021 (Mass Balance CPO / PK) showing that the total production of certified PK was 949,800 kg and sales of certified PK were 940,940 kg, which means sales of certified PK came from positive stocks.
- CSPK shipping announcement for the period January - March 2021

The company has also demonstrated root cause analysis, correction, and corrective action. However, there are still some things that need to be clarified again by the company in the correction and corrective action section. In this regard, the discrepancies have not yet been fulfilled.

**Verification 21 July 2021**

The company shows evidence of additional improvements in the form of:

- Revised CPO / PK Mass Balance Report which shows that the total FFB processed by CPO and PK are the same.
- Documentation of the socialization of SCCS procedures to SCC implementing personnel on 6 May 2021.

Based on this explanation, the discrepancy No. 2021. 01 is declared fulfilled

**Verified by** : **Asystasya Aishah Silalahi**

<b>NCR No.</b>	: 2021.02	<b>Issued by</b>	: Ardiansyah
<b>Date Issued</b>	: 1 May 2021	<b>Time Limit</b>	: 30 July 2021
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 30 July 2021
<b>Standard Ref. &amp; Requirement</b>	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>- Sei Intan mill has shown recordings of the PPE distribution to 11 processing workers on 30 December 2020 and to 11 processing workers on 28 Mar 2020.</li> <li>- The results of field visits at mill found that workers use different types of PPE even though they work at the same station.</li> <li>- Interviews with workers stated that the last time PPE was distributed was about 1.5 – 2 years ago and it was stated that there were workers who bought their own PPE because it was damaged.</li> <li>- PTPN V already has SOP/HR/03 regarding Personal Protective Equipment where one of the clauses states that "6.72. If there is damage PPE, employees can request replacement by reporting to their respective unit assistants to be forwarded to the P2K3 Secretary for follow-up, using the PPE replacement request form ( FOR/SDM/09)". Interviews with workers revealed that workers were aware of this procedure and had applied for a replacement but it was not realized.</li> <li>- Sei Intan Unit has requested a budget for the procurement of goods and materials (AU-31.4) for PPE of Sei Intan estate and mill in 2020 which was requested on October 23, 2019. However, until the 2021 audit activity was carried out, the realization of the procurement of goods had not been carried out.</li> </ul>			

**Non-Conformance Description (filled by auditor):**

The management unit has not been able to demonstrate that PPE has been provided free of charge to all workers in the workplace.

**Root Cause Analysis (filled by organization audited):**

The need for PPE in 2020 has been proposed but has not been realized due to the increase in the price of PPE in the market, so that the proposed cost for the fulfillment of PPE is not sufficient.

**Correction (filled by organization audited):**

The first semester of PPE procurement is held in stages specifically for safety shoes, while the second semester of PPE procurement (complete PPE) is in the tender process. Attached are PPE data submitted in semester I and approved AU31.

**Corrective Action (filled by organization audited):**

Sei Intan Mill and Estate will submit a budget for the procurement of PPE on an ongoing basis and will be submitted at the beginning of the first semester of the following year.

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

**Verification July 8, 2021**

CH has shown the procurement and provision of safety shoes for semester 1 as many as 8 pairs on June 22, 2021. So the total of all workers who have received safety for is 30 people (22 people submitted in December 2020 and 8 people submitted in June 2021). Meanwhile, based on the request for the non-plant exploitation budget, goods (form AU-31.4) for the July – December 2021 procurement period, it is known that plantations and mills procure PPE for:

- Safety shoes: 155 pairs
- Gloves: 215 pairs
- Aprons: 12 pieces
- Masks: 158 pieces
- Respirators: 8 pieces
- Safety full body harness: 6 pieces
- Ear muffs: 4 pieces
- Ear plugs: 50 pieces
- Helmets: 155 pieces
- Raincoats: 108 pieces
- Glasses: 18 pieces
- Woven hats: 8 pieces
- Welding glasses: 10 pieces

Based on worker data in March 2021, it is known that the Mill workers are 104 people consisting of 26 quality controllers, 20 technical, 29 processing shifts 1 and 29 processing shift 2. Based on document submission data and worker data, it is known that there is a difference between workers who have received PPE and the total number of workers. Meanwhile, based on procurement data, it is known that there is a plan to procure 155 pairs, but there is no information whether the remaining workers who have not received PPE (especially safety shoes) in the mill will receive PPE or not, because the procurement of PPE is intended for estate and mill workers.

Based on this explanation, the non-conformance is declared not fulfilled.

**Verification July 30, 2021**

The company has shown the details of the PPE requirements for each unit, which consists of:

- Safety shoes: 155 pairs consisting of 118 mill workers and 37 estate workers
- Gloves: 215 pairs consisting of 189 mill workers and 26 estate workers
- Apron: 12 pieces consisting of 12 mill workers
- Masks: 158 pieces consisting of 121 mill workers and 37 estate workers
- Respirators: 8 pieces consisting of 8 estate workers

- Safety full body harness: 6 pieces consisting of 6 mill workers
- Ear muffs: 4 pieces consisting of 4 mill workers
- Ear plugs: 50 pieces consist of 50 mill workers
- Helmets: 155 pieces consisting of 118 mill workers and 37 estate workers
- Raincoats: 108 pieces consisting of 108 mill workers
- Glasses: 18 pieces consisting of 18 mill workers
- Woven hats: 8 pieces consisting of 8 mill workers
- Welding glasses: 10 pieces consisting of 8 mill workers and 2 estate workers

Based on this explanation, the discrepancy is closed with observation.

Verified by	:	Ardiansyah
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3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-3

NCR No.	: 2022.01	Issued by	: Sentot Adi Subandono
Date Issued	: 5 August 2022	Time Limit	: 3 November 2022
NC Grade	: Major	Date of Closing	: 3 November 2022
Standard Ref. & Requirement	3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor):			
<p><b>1. PPE distribution</b></p> <ul style="list-style-type: none"> <li>- The company has demonstrated: <ul style="list-style-type: none"> <li>- Records of PPE distribution carried out on November 25, 2021 to 17 processing workers.</li> <li>- List of PPE Stock as of July 25, 2022, it is known that the company does not have stock of safety shoes.</li> </ul> </li> <li>- The results of interviews with management representatives revealed that the last PPE distribution was November 2021.</li> <li>- The results of interviews with workers in plantations and mills that PPE is replaced every 1 year.</li> </ul> <p><b>Reference</b></p> <ul style="list-style-type: none"> <li>- PTPN V PPE Standard List document, it is known that the standard for foot protection is as follows: <ul style="list-style-type: none"> <li>- The processing section is safety shoes with a service life of 6 months.</li> <li>- The harvester parts are boots with a service life of 6 months.</li> </ul> </li> </ul> <p><b>2. Spray Kep Storage</b></p> <ul style="list-style-type: none"> <li>• The results of field observations at the Rinse House Division 2, it is known that there are 2 spare spray Kep, 6 glasses, 6 aprons, and 6 wearpacks.</li> <li>• The results of interviews with workers revealed that the spray kep was brought back to their homes to be charged. This is done because there is no electrical installation available at the rinse house.</li> </ul> <p><b>Reference</b></p> <ul style="list-style-type: none"> <li>• WI PTPN V Sei Intan Estate Unit No 64-IK/SIN/PTPN-V/2019 Revision 1 dated January 2, 2019, regarding operational instructions, it is regulated that after spraying, the Kep is cleaned in the rinse room, then handed over to the Division Crew.</li> <li>• WI for the use of the rinse room No IK-KBN-SIN-AFD revision 0, effective date January 1, 2020, it is regulated that the electric sprayer, after being rinsed, is charged in the rinse room.</li> <li>• Document List of Potential Hazards Identification and OHS Risk Assessment (discussion of parts of the oil palm plant) it is known that after rinsing the sprayer is stored in the rinse room.</li> </ul> <p><b>Non-Conformance Description (filled by auditor):</b></p> <p>Based on the evidence above, it can be concluded that:</p> <ol style="list-style-type: none"> <li>1. The period of use and replacement of PPE is not in accordance with the company's standard for replacing PPE.</li> <li>2. The storage of the sprayer is not in accordance with the company's WI and HIRAC.</li> </ol> <p><b>Root Cause Analysis (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. Procurement of PPE in 2021 has been delayed due to procurement corrections (changes in the procurement budget), causing delays in the procurement and distribution of PPE to work units and correction of several physical and quantity deficiencies.</li> <li>2. The spray workers have not received the socialization refreshment on the IK-KBN-SIN-AFD revision for the use</li> </ol>			

and charging of the electric sprayer, so after work they carry out the charging of the device at their respective homes which should be done at the electrical installation of the room facility rinse.

**Correction (filled by organization audited):**

1. Resubmit PPE according to the available budget and make corrections to the physical and quantity of PPE according to the needs by adding it to the list of additional requests through Local Unit Purchase Orders according to the period for providing PPE according to the standard provisions of PPE PTPN V both in terms of physical, type and its useful life so that it can maintain the availability of PPE in the work unit. Re-socialize the mechanism for using PPE, reporting and requesting PPE according to the standards applied in the PTPN V work unit to all workers in the work unit.
2. Return the electric sprayer to the rinse room facility to be stored and charged at the facility according to the physical amount used for work. Re-socialize the mechanism for handling, using, and operating work using chemicals as well as the IBPR and JSA to workers.

**Corrective Action (filled by organization audited):**

1. Establish a consistent period for submitting and correcting budgets and appropriately allocating OPL as an alternative in case of unexpected budget changes.
2. Carry out regular briefings before and after working with chemicals by divisional assistants (afdeling) so that monitoring of errors and omissions in working with chemical materials and tools can be minimized.

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

**Auditor Verification 14 September 2022**

Root cause analysis, correction, and corrective action have been accepted. However, proof of improvement has not been sent so that the discrepancy is declared unfulfilled.

**Auditor Verification 14 September 2022**

The company shows evidence of improvement in several documents, as follows:

1. Work Instruction number 64-IK/SIN/PTPN-V/2019 revision 1 dated 02 January 2019 with the title Palm Oil Chemical Weeding. (already shown during audit)
2. Follow up on the findings of the provision of PPE (safety shoes) Kebun Sei Intan, accompanied by:
  - Memo Request for Goods 6 AP boots and 3 Gambir boots dated 13 June 2022
  - Photo documentation of PPE delivery
  - Other documents that cannot be verified due to blur. Please resubmit.
3. Checklist for Return and Inspection of PPE Chemist and Afdeling 2 spray equipment October 1 – 12, 2022
4. Rinsing Room Use IK number IK-KBN-SIN-AFD revision 0 effective date 01 January 2020 which was shown during the audit.
5. Documentation of the storage of chemist PPE and spray equipment in the Sei Intan Afdeling 2 Plantation rinse room, where no information was given when the documentation was taken and there was no official approval regarding the document.

As a result of the review of the submitted evidence, there is information that is incomplete and cannot be verified due to blurring. On the other hand, the evidence shown and verified has not all referred to the identification of corrections and corrective actions.

**Auditor verification October 31, 2022**

The company again shows evidence of improvement:

1. Documentation of the morning briefing and the condition of Chemist PPE and spray equipment in the Afdeling 2 Sei Intan rinse room on 27 October 2022.
2. Memo requesting goods number 07/TNM/VI/2022 dated 13 June 2022 in the form of 6 boots and 3 gambier shoes for harvesting equipment. The handover of PPE boots and gloves was also shown to 6 workers of Afdeling IV SIN.

Based on the additional evidence above, it has not been shown:



1. Procurement of PPE for all POM and Plantation workers according to PPE standards and replacement (last given Nov 2021 – what about 2022?)
2. Basic demand for gambier shoes for harvesters
3. Proof of correction number 1 – yellow highlight
4. Proof of corrective action number 1 – yellow highlights

**Auditees' response**

1. Procurement of PPE for 2022 has been realized and has been distributed to employees. (Distribution data attached)
2. The basis for the request for gambier shoes is for use during harvest in the lowlands and bancah (puddles) and has been included in the IBPR.
3. The Sei Intan Garden/PKS Unit has reserved PPE stocks to anticipate damage to employee PPE.
4. The PPE procurement budget for the 2023 fiscal year (attached to the 2023 RKAP) as well as a Manager's Memo to the Administrative Assistant to accelerate the procurement of PPE in 2023 and the allocation of OPL funds to anticipate delays in the distribution of PPE and revisions to the number of PPE from the Directors' office.

As a result of the review of the submitted evidence, there is incomplete information (auditor verification on 14 September 2022 - yellow highlight). On the other hand, the evidence shown and verified has not all referred to the identification of corrections and corrective actions. Based on this, the non-conformity is declared Not Yet Fulfilled.

**Auditor Verification 03 November 2022**

The company shows additional evidence of improvement in the form of:

1. PPE distribution list for 240 employees consisting of Afdeling 1, 2, 3, 4, General Engineering, Processing 1 (PKS), Processing 2 (PKS), Sorting/QC (PKS), and Engineering from 25 September to 01 November 2022.
2. List of PPE stocks updated on October 15 2022 which has been approved by the Manager, including AP shoes, chemist goggles, safety helmets and ear plugs.
3. IBPPR document for Oil Palm Plantation Section, updated 08 July 2022 which explains, among other things, controlling the risk of using gambier shoes when harvesting in low-lying areas.
4. Memo manager number U.5.SIN/M//IX/2022 dated 01 September 2022 to the Administrative Assistant regarding the consistency of submitting PPE in the 1st quarter of each year. If there are problems in the fulfilment process, local purchases are made as needed.
5. Request for a budget for the procurement of PPE for PKS and Kebun Sei Intan in 2023 such as boots, safety shoes, aprons, "Mask" dust masks, ear muffs, etc.

Based on the additional evidence shown, the discrepancy is declared to have been fulfilled and will be observed again in the next audit.

<b>Verified by</b>	<b>: Sentot Adi Subandono</b>
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<b>NCR No.</b>	<b>: 2022.02</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 5 August 2022</b>	<b>Time Limit</b>	<b>: 3 November 2022</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 13 September 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>3.8.7</b> <b>Purchasing and Goods in</b> i. The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. ii. The mill shall inform the CB immediately if there is a projected overproduction of certified volume.		

	<b>iii. The mill shall have a mechanism in place for handling of non-conforming FFB and/or documents</b>
<p><b>Evidence observed (filled by auditor):</b></p> <p>Based on Sei Intan POM Mass Balance data for the 12-month period prior to the audit (July 2021 to June 2022), it is known that:</p> <ul style="list-style-type: none"> <li>- Production of Certified FFB has reached 139,270.36 MT which has exceeded the quota allowed in the license (Palm Trace) which is 78,000 MT.</li> <li>- Certified CPO production has reached 31,604.68 MT which has exceeded the quota allowed in the license (Palm Trace) which is 17,160 MT.</li> <li>- Production of Certified PK has reached 5,609.20 MT which has exceeded the quota allowed in the license (Palm Trace) which is 3,900 MT.</li> </ul> <p>However, the company has not been able to show evidence that it has notified the Certification Body that there is an excess of certified volume production (FFB, CPO, PK).</p> <p><b>Non-Conformance Description (filled by auditor):</b></p> <p>The company has not been able to show evidence that it has notified the Certification Body against the excess production of certified volume production (FFB, CSPO, CSPK).</p>	
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• The certified product exceeds the specified quota because there is a source of FFB from parent plantations, namely Sei Berlian and Sei Rokan, which enter the Sei Intan PKS. This reduces the remaining quota of Sei Intan certified products.</li> <li>• The PIC who is responsible for Mill Sei Intan in handling certified products does not understand the obligation to inform the CB if there is an excess of certified products.</li> </ul>	
<p><b>Correction (filled by organization audited):</b></p> <p>Requesting additional certified production from the certification body on 11 August 2022 and has been approved by RSPO (attached to request for additional quota) on 20 August 2022.</p>	
<p><b>Corrective Action (filled by organization audited):</b></p> <p>Conduct retraining for PICs who are responsible for reporting certified oil production, namely Quality Control Assistants, production clerks, and delivery clerks.</p>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p> <p><b>Auditor Verification September 13, 2022</b></p> <p>The company has shown evidence of improvement in the form of:</p> <ul style="list-style-type: none"> <li>• Explanation of the analysis of the root causes of non-conformities that have occurred and corrective action against the root causes that have been analysed.</li> <li>• Evidence of a request for an additional quota from the CB and the CB has added the quota with the approval of the RSPO. This can also be seen in IT Palm Trace</li> </ul> <p>Based on the evidence of this improvement, non-compliance with this indicator can be declared Fulfilled and will be observed again in the next audit to see the consistency of improvements to the root of the problem.</p>	
<b>Verified by</b>	<b>: Hasiholan Sihombing</b>

NCR No.	: 2022.03	Issued by	: Hasiholan Sihombing
Date Issued	: 5 August 2022	Time Limit	: 3 November 2022
NC Grade	: Major	Date of Closing	: 15 October 2022
Standard Ref. & Requirement	<p><b>3.8.16</b>  <u>Registration of Transactions</u></p> <p>i. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>		
<p><b>Evidence observed (filled by auditor):</b></p> <p>Based on data from the Mass Balance of Sei Intan POM for the period of 2021 and 2022, it is known that during the license period (17 September 2021 to 16 September 2022) there were sales as non-Certified products using RSPO Certified product stock with the following details:</p> <ul style="list-style-type: none"> <li>- Certified CPO as much as 12,312.31 MT</li> <li>- Certified PK 1,410.48 MT</li> </ul> <p>Then based on the data on removing stock in the palm trace, it was found that Sei Intan POM only removed CSPO stock of 2,416 MT and CSPK of 234 MT.</p> <p><b>Non-Conformance Description (filled by auditor):</b></p> <p>Based on this evidence, it is known that the mill has not removed the entire stock of RSPO certified products that sold under other schemes or by conventional.</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• Removing all CSPO stocks is not appropriate because the CPO and PK quotas in the palm trace are minimal, which is due to the absence of additional quotas in the palm trace.</li> <li>• The PIC who is responsible for PKS Sei Intan in handling certified products does not understand the obligation to inform the CB if there is an excess of certified products</li> </ul>			
<p><b>Correction (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• Remove quotas on palmtrace in accordance with RSPO certified products sold under the ISCC and conventional schemes.</li> <li>• The total number of CPO stocks removed was: 2416 (removed 1) + 9896 with details of 4396 removed and 5500 allocated as BC (total 12,312). The details of the remove according to the attached screenshot sent are; the initial stock before being removed was 26,072 MT., then allocated to BC in the amount of 5,500 so that the remaining CPO stock was 20,572 MT. This stock was then reduced again in the amount of 4396 MT. The remaining quota after being removed is 16,176 MT CPO.</li> <li>• PK that has been removed in this period is 234 tons (remove 1) plus 1176 MT (remove 2) so that the total is 1410.</li> </ul>			
<p><b>Corrective Action (filled by organization audited):</b></p> <p>Conduct retraining for PICs who are responsible for reporting certified oil production, namely Quality Control Assistants, production clerks, and delivery clerks.</p>			

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

**Auditor Verification September 13, 2022**

The company has shown evidence of improvement in the form of:

- Root cause analysis and preventive measures
- Evidence of remove stock made by the company.

However, there are still auditor comments in the corrective action column and in the correction column. Therefore, the discrepancy in this indicator is still not fulfilled.

**Auditor Verification dated October 15, 2022**

The company has sent evidence that it has removed CSPO and CSPK stocks that have been sold conventionally. The company has also demonstrated Traceability SOP No. SOP-PST-012 revision 02 dated 1 July 2021 in section 7.2.4.5 which explains the mechanism if there is excess production from the quota owned.

Based on root cause analysis, corrective actions and submitted evidence, this discrepancy can be declared Fulfilled.

Verified by : **Hasiholan Sihombing**

NCR No.	: 2022.04	Issued by	: Kiki Fadli
Date Issued	: 5 August 2022	Time Limit	: 3 November 2022
NC Grade	: Major	Date of Closing	: 1 November 2022
Standard Ref. & Requirement	<p>6.2.2  <b>Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed.</b></p>		
<p><b>Evidence observed (filled by auditor):</b></p> <ul style="list-style-type: none"> <li>• Based on the field visit at Block 10E Division I Sei Intan Plantation, it was found personnel with the initials N who were carrying out manual tripping activities in the riverbank area as well as field visits at Block G10 Division II Sei Intan Estate, personnel with the initials HS were carrying out spraying activities. However, based on interviews with these personnel, it was stated that these personnel are not employees of the company and do not have an employment agreement with the company.</li> <li>• The company has not been able to show evidence that the person is registered as an employee of the company were based on the employee list of Kebun Sei Intan for the period of July 2022, there are no personnel with the initials N and HS who are registered as employees at Kebun Sei Intan.</li> </ul> <p><b>Reference</b></p> <ul style="list-style-type: none"> <li>• Law of the Republic of Indonesia No. 13 of 2003 concerning Manpower in Article 50 states that the employment relationship occurs because of a work agreement between the entrepreneur and the worker/labourer.</li> <li>• Government Regulation No. 35 of 2021 concerning Temporary Appointment Work Agreement, outsourcing, working time and rest time, and termination of employment, states that: <ul style="list-style-type: none"> <li>- Article 2 paragraph 1 states that the employment relationship occurs because of a work agreement between the entrepreneur and the worker/labourer.</li> <li>- Article 2 paragraph 4 states that the work agreement is made for a fixed time or for temporary time.</li> </ul> </li> </ul>			

<p><b>Non-Conformance Description (filled by auditor):</b></p> <p>Based on the evidence above, it can be concluded that there are still workers who carry out company operational activities without having an agreed work agreement and this is not in accordance with applicable regulations.</p>
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. There is no work agreement between the vendor and the worker because the vendor lacks workers to meet the target stated in the work contract between the vendor and PTPN V. To meet this target the vendor hires additional workers without first completing the worker with an employment agreement.</li> <li>2. The supervisor appointed to oversee the work of the vendor is negligent in supervising the vendor's workers.</li> </ol>
<p><b>Correction (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. N and HS workers are re-identified and reported to the vendor so that they can be re-entered into the list of workers for the second semester of 2022 contract period without neglecting their rights and obligations as workers according to applicable regulations.</li> <li>2. Immediately coordinate with vendors to send a list of workers along with cooperation contracts between vendors and workers employed for the second half of 2022 work contract period so that it can be identified and verified by PTPN V management according to applicable regulations.</li> </ol>
<p><b>Corrective Action (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. The management of PTPN V has issued a warning letter to vendors who employ workers without a work contract.</li> <li>2. Requiring vendors appointed as partners to submit a list of employees employed to PTPN Management prior to the commencement of the contract.</li> <li>3. In accordance with SOP -PST-026, regarding contractor control, PTPN V's work contract with partners has included a partner's obligation clause to comply with current regulations including labor regulations.</li> <li>4. Management is obliged to evaluate contractors every six months to see the level of compliance of partners with work contracts.</li> <li>5. Negligence of partners in fulfilling work contracts can be subject to warnings and sanctions.</li> <li>6. The management of Sei Intan has also re-socialized the outsourcing partners on September 5 2022</li> </ol>
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p> <p><b>Verification on September 13, 2022</b>  The company has sent proof of improvement in the form of root cause analysis, correction, and corrective action. However, there are still a number of auditor questions that must be completed by the company. Besides that, the company has not sent evidence of improvements made to fix the root of the problem, correction and corrective action. Thus the non-compliance with this indicator is declared Not Fulfilled.</p> <p><b>Verification on October 13, 2022</b>  The company has sent proof of improvement in the form of:</p> <ul style="list-style-type: none"> <li>• Contractor's work agreement with workers with the initials N and HS on August 21, 2022.</li> <li>• Letter of reprimand to contractors who employ personnel without a work agreement on August 2, 2022.</li> <li>• There is a narration of root cause analysis, Correction, and Corrective action. However, there are still a number of auditor questions that must be completed by the company and supporting evidence.</li> </ul> <p>Based on the explanation above, the non-compliance with this indicator is declared Not Fulfilled.</p> <p><b>Verification date November 1, 2022</b>  The company has sent proof of improvement in the form of:</p> <ul style="list-style-type: none"> <li>• Socialization of vendor work operational policies on September 5, 2022 for 12 people.</li> </ul>

- SOP No. SOP-PST-026 concerning control of contractors which includes mechanisms for selecting contractors, reviewing contractor legality, reviewing work contracts, inspecting work and evaluating contractors as well as warnings and sanctions to contractors.

Based on the explanation above, the discrepancy in this indicator is declared Fulfilled and will be observed in the next assessment.

Verified by : Kiki Fadli

NCR No.	: 2022.05	Issued by	: Kiki Fadli
Date Issued	: 5 August 2022	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 1 November 2022
Standard Ref. & Requirement	6.2.7 Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> <li>• Based on the employee list document for Sei Intan Estate for the period of July 2022, it is known that there are 47 harvesting Temporary Appointment Work Agreement employees, for example with the initials S with the year of entering work on August 1, 2020 and AS with the year of entering work on October 1, 2020.</li> <li>• Based on the results of the assessment of the Sei Intan Estate Temporary Appointment Work Agreement workforce for the period 2020 – 2021, it is known that with the initials S and AS, it is recommended that their contracts be extended.</li> <li>• Based on Memo No. U-5.SIN/5.SDM/M/44/VII/2022 regarding the request for additional Temporary Appointment Work Agreement harvesters on July 18, 2022 from the Sei Intan Estate Manager to the Head of the HR Section, it was stated that the need for harvesters was 121 people with the number of harvesters at the time of application was 91 people (Fixed Time Employment Agreement: 46 people and Temporary Appointment Work Agreement: 45 people) so there is still a shortage of 30 people.</li> </ul>			
Referensi			
<ul style="list-style-type: none"> <li>• Law of the Republic of Indonesia No. 13 of 2003 concerning manpower in article 59 paragraph 2 states that a work agreement for a certain time cannot be made for permanent work. What is meant by permanent work in this paragraph is work that is continuous, uninterrupted, not limited by time and is part of a production process in one company or work that is not seasonal.</li> <li>• Government Regulation No. 35 of 2021 concerning Temporary Appointment Work Agreement, outsourcing, working time and rest time, and termination of employment in article 4 paragraph 2 states that Temporary Appointment Work Agreement cannot be held for permanent work.</li> <li>• Decree of the Central Executive Board of GAPKI No. SK/002/PPG/II/2013 concerning the flow of work implementation processes in the oil palm plantation business sector states that harvesting and processing FFB into CPO is the main job.</li> </ul>			
Non-Conformance Description (filled by auditor):			
The company has not been able to show sufficient evidence that the provisions related to workers with Temporary Appointment Work Agreement status are in accordance with applicable regulations (Law No. 13 of 2003 and PP No. 35 of 2021) especially related to the types of work that can be hired for Temporary Appointment Work Agreement.			

**Root Cause Analysis (filled by organization audited):**

Delays in regeneration of harvesters, and difficulties in finding harvesters who have the required qualifications have resulted in the need for harvesting workers not being met and there is a quota set by the plantation holding for hiring employees.

**Correction (filled by organization audited):**

PTPN V will appoint permanent employees for harvesting work from Fixed Period Working Agreement workers. The appointment of employees is adjusted to the capabilities and conditions of the company. The number of employees appointed as permanent employees is 14 people, and will be appointed in stages as many as 19 people in 2023, 15 people in 2024 and 23 people in 2025.

**Corrective Action (filled by organization audited):**

Calculating the needs of harvesters and submitting the needs of harvesters for the appointment of harvesting employees to the HR Department for further submission to the Plantation Holding.

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

**Verification on September 13, 2022**

The company has sent proof of improvement in the form of root cause analysis, correction, and corrective action. However, there are still a number of auditor questions that must be completed by the company. Besides that, the company has not sent evidence of improvements made to fix the root of the problem, correction and corrective action. Thus, the non-compliance with this indicator is declared Not Fulfilled.

**Verification on October 13, 2022**

The company has sent proof of improvement in the form of:

- Memorandum of appointment of Fixed Period Working Agreement employees to become non-class employees starting September 1, 2022 with a total of 23 people. However, there is a difference in the timeline for the status of the transfer of Fixed Period Working Agreement to non-class employees which lists 39 employees who were appointed.
- There is a narration of root cause analysis, Correction, and Corrective action. However, the company has not shown the calculation of the need for harvesters and the proposal/program to fulfil harvest employees as a corrective action to be taken.

Based on the explanation above, the non-compliance with this indicator is declared Not Fulfilled.

**Verification date November 1, 2022**

The company has sent proof of improvement in the form of:

- The company shows a harvest employee fulfilment program from 2022 – 2025.
- The company shows the submission of harvesting workers in meeting the needs of harvesting workers.

Based on the explanation above, the discrepancy in this indicator is declared Fulfilled and will be observed in the next assessment.

Verified by : Kiki Fadli

NCR No. : 2022.06

Issued by : Rahmat Abdiansyah

Date Issued	: 5 August 2022	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 1 November 2022
Standard Ref. & Requirement	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
<p><b>Evidence observed (filled by auditor):</b></p> <ul style="list-style-type: none"> <li>Based on the results of interviews with company representatives, it is known that hazardous material waste generated from the Estate unit will be handed over to the Mill unit's temporary storage of hazardous material waste.</li> <li>The results of observations in the Empty Bunch Area (EBA) Mill area found 4 Pcs of used paint packaging and there was Inner Fertilizer piled up in EFB.</li> <li>The results of field observations at the Mill Domestic IPAL found 3 Pcs of used packaging for hazardous materials, 4 Pcs of used paint packaging, and 1 Pcs of used thinner packaging that had not been submitted to the temporary storage area for hazardous materials waste.</li> <li>The results of field observations in the former warehouse for the temporary storage of Hazardous Waste in the Estate unit, it was found that several types of Hazardous waste had not been submitted to the temporary storage area for the Hazardous waste of the Mill unit, namely the types of used lamps, used chemical packaging, used paint cans, used oil packaging, and drums. used oil packaging.</li> <li>The results of field observations in the Workshop area of the Estate unit found 4 Pcs of used Pertamina drums which were reused as a buffer for Dump Trucks.</li> </ul> <p><b>Reference</b></p> <ul style="list-style-type: none"> <li>The Document Identification of Types of Waste and Management Plan with Document Number FOR/MR/2.03 which was updated on June 7, 2021 stated that the plan for the management of waste types Inner sacks of used chemicals, used packaging, used lamps, and other hazardous wastes is to submit them to the storage area. while Hazardous Material Waste Mill unit with cover letter.</li> <li>The Environmental Management SOP Number SOP-TEP-002 dated January 1, 2020 states that any packaging of waste Hazardous materials produced by the unit are not allowed to be reused other than handed over to an authorized third party.</li> <li>The Work Instruction for handling used cans and used oil filters with Document Number IK-TEP-126 dated January 1, 2020 states that the management of used cans is by sending them to a temporary storage place for hazardous waste.</li> </ul> <p><b>Non-Conformance Description (filled by auditor):</b></p> <p>the Company has not been able to show evidence of hazardous waste management in accordance with the procedures it has.</p> <p><b>Root Cause Analysis (filled by organization audited):</b></p> <p>Hazardous and toxic waste has not been managed according to a predetermined mechanism, there is negligence by personnel in management so that there are still errors in managing LB3 in the field.</p> <p><b>Correction (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>Recollect Hazardous and toxic waste that are still in the wrong position by sending them back to temporary storage of hazardous and toxic waste materials according to the mechanism in the procedure for managing licensed Hazardous and toxic waste at Mill SIN.</li> <li>Re-socialize the Hazardous and toxic waste management mechanism to employees, so that details of management and awareness of management according to standards and rules can be normalized again in all work unit lines.</li> </ul>			



**Corrective Action (filled by organization audited):**

- Periodic inspection of the use of chemicals, in order to obtain accurate data on the physical distribution and the number of Hazardous and toxic waste to identify the amount returned to temporary storage of hazardous and toxic waste materials.
- Periodic socialization of the Hazardous and toxic waste management mechanism for all employees who work with chemicals.

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

**Verification Date 13 September 2022**

The company has sent proof of improvement in the form of root cause analysis, correction, and corrective action. However, there are still a number of auditor questions that must be completed by the company. Besides that, the company has not sent evidence of improvements made to fix the root of the problem, correction and corrective action. Thus, the non-compliance with this indicator is declared Not Fulfilled.

**Verification on October 13, 2022**

The company has sent proof of improvement in the form of:

- Follow-up documents for used hazardous and toxic waste packaging that have been cleaned and submitted to the B3 Waste TPS and proof of LB3 recording submitted to the hazardous and temporary storage of hazardous and toxic waste materials on 18 August 2022.
- Follow-up documents for hazardous and toxic waste packaging at the Workshop/Technique which have been cleaned and submitted to the temporary storage of hazardous and toxic waste materials as well as proof of Hazardous and toxic waste recording submitted on 18 August 2022.
- Root cause analysis, Correction, and Corrective action. However, the company has not shown the implementation documents of periodic inspections and socialization which are carried out as corrective actions.

Based on the explanation above, the non-compliance with this indicator is declared Not Fulfilled.

**Verification date November 1, 2022**

The company has sent proof of improvement in the form of:

- Sample Hazardous and toxic waste inspection checklist form.
- Socialization of hazardous and toxic materials waste which was held on 5 September 2022 and was attended by 23 participants.

Based on the explanation above, the discrepancy in this indicator is declared Fulfilled and will be observed in the next assessment.

<b>Verified by</b>	<b>:</b>	<b>Rahmat Abdiansyah</b>
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3.4.3. Opportunity for Improvement

No	Ref.	Description
1	6.7.2	<p>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.</p> <p>From the results of field observations and employee interviews at the Sei Intan Estate and PKS, it is known that:</p> <ul style="list-style-type: none"> <li>- There are 3 out of 7 first aid workers/first aid kit carriers who do not understand the function of first aid kits.</li> <li>- There are 5 out of 14 chemicals in the PKS Oil Warehouse, Fertilizer Warehouse, and Pesticide Warehouse that are not equipped with MSDS.</li> </ul> <p>Based on this, companies are encouraged to re-evaluate the understanding of the first aid workers regarding the tools and functions of the first aid kit and complete the MSDS in every area where there are chemicals.</p>
2	7.3.1	<p><b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations</b></p> <p>the Company has identified waste which was updated on June 7, 2021, where liquid waste (Leachate) from the EFB Pile has been identified. The company already has a leachate waste management plan by draining leachate in irrigation canals and going to the WWTP pond. The results of field observations in the Empty Bunch Area (EBA) of Sei Intan Mill it is known that there is leachate waste in the EFB pile but it has the potential to be polluted to the environment.</p> <p><b>The company has the opportunity to ensure that the management of leachate from the EFB pile is carried out in accordance with its management plan.</b></p>
3	7.12.7	<p><b>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan</b></p> <p><b><u>Species Protection Status</u></b> Based on document verification, it is known that the company has been monitoring animals and plants for the period of 2021. The status of animal protection as a result of the monitoring carried out is still based on PP No. 7 of 1999. Currently, the regulation regarding the status of animal protection is Permen LHK 106 of 2018. The company has the opportunity to ensure the status of animal protection from the results of animal monitoring carried out in accordance with Permen LHK No 106 of 2018.</p> <p><b><u>Spray limit mark</u></b> Based on the results of field observations in the HCV area of Kepanasan Border Block 12/14 E Division 1, it is known that there is a spray limit in the form of a blue cross (X) on 2 palm trees. Furthermore, the auditor team also conducted field observations in the HCV area of Kepanasan River Border Block 10 E Division 1, it was found that there was no spray limit sign on the oil palm trees, but in that area, there were no traces of chemical application and the area was treated manually. The company has the opportunity to ensure the spray limit in the HCV area, especially in areas leading upstream and downstream of the river.</p>

**3.4.4. Noteworthy Positive Components**

No	Description
1	Commitment to apply the principles of sustainable palm oil management
2	Good cooperation with the companion team
3	No longer using Pesticides with the active ingredient Paraquat
4	Have received Blue Proper from ministry of environment and forestry for the period 2020-2021
5	Has obtained ISCC, ISPO, ISO 9001, ISO 14001 and SMK3 certifications



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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Rokan Hulu Regency Environmental Service</b></p> <ul style="list-style-type: none"> <li>• The company already has a valid Land Application permit and has complied with the provisions.</li> <li>• The company has routinely reported several mandatory reports such as reporting on POME, Hazardous waste, and reporting on the implementation of environmental management and monitoring plans.</li> <li>• The company already has environmental documents in accordance with the provisions.</li> <li>• The company has obtained a permit for temporary storage of hazardous and toxic waste.</li> <li>• During 2020-2022 there were no environmental pollution issues carried out by the company.</li> </ul>	<p>There are no negative issues from the resource person</p>
<p><b>Rokan Hulu District Manpower Office</b></p> <p>The results of the interviews revealed that:</p> <ul style="list-style-type: none"> <li>• Wage determination is in accordance with the district minimum wage.</li> <li>• The company has sent mandatory reports such as OHS Committee &amp; work accident reports and trade union meeting activities.</li> <li>• So far, there has never been a report from the employee regarding industrial relations and so on.</li> <li>• Good communication between the company and the Dinas.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<p><b>Labor union (Estate &amp; Mill)</b></p> <ul style="list-style-type: none"> <li>• The company has provided PPE and wages in accordance with applicable regulations</li> <li>• There are cases of work accidents in the mill in 2021. The rights for the mill workers including BPJS claims have been paid in 2021.</li> <li>• The company routinely conducts high-risk health checks as well as periodic health checks.</li> <li>• There are temporary workers but for harvest.</li> <li>• The company has provided socialization related to CLA, company policies, work procedures and others.</li> </ul>	<p>The auditor has verified employment-related matters and has been further explained in indicator 6.2.2.</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>• The gender committee consists of male and female representatives</li> <li>• No cases of sexual harassment in the last 1 year</li> <li>• The company provides rest time for new mothers to breastfeed their children</li> <li>• Menstrual leave is available with a mechanism to report to the foreman and will be examined at the clinic.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• Maternity leave is given 1.5 months before and 1.5 months after giving birth by showing the results of a doctor's examination.</li> <li>• There is no difference between male workers and female workers. Every worker has equal rights in terms of employment opportunities and also anonymity protection/</li> </ul>	
<b>Subur Makmur Cooperative</b> <ul style="list-style-type: none"> <li>• The company has cooperated with cooperatives in the field of replanting.</li> <li>• In the future, FFB from the Cooperative will be supplied to Sei Intan Mill.</li> <li>• The company will assist and provide advice to cooperative members in terms of fertilization and plant care.</li> <li>• The management of the plantations is carried out by members of the cooperative and the cooperative is not a plasma farmer of the company.</li> </ul>	There are no negative issues from the resource person
<b>Agent Mukhtar (Supplier FFB)</b> <ul style="list-style-type: none"> <li>• The agent has cooperated with the company in accordance with the agreed agreement.</li> <li>• The cooperation agreement will be renewed every 3 months.</li> <li>• The origin of the FFB from the Agent comes from their own land and several nearby farmers.</li> <li>• The FFB price given by the company is the price set by the company taking into account the CPO price and the market price.</li> <li>• So far, there have been no complaints related to the FFB price or FFB payments made by the company.</li> <li>• The company has taken the coordinates of the farmers who sell FFB to agents.</li> </ul>	There are no negative issues from the resource person
<b>PT Sugih Indah Sejati (FFB Supplier)</b> <ul style="list-style-type: none"> <li>• PT Sugih has cooperated with the company in accordance with the agreed agreement.</li> <li>• There is a cooperation agreement that is still valid.</li> <li>• The origin of the FFB from the agent comes from their own land and the legality of the land is in the form of SKGR</li> <li>• The FFB price given by the company is the price set by the company taking into account the CPO price and the market price.</li> <li>• So far, there have been no complaints related to the FFB price or FFB payments made by the company.</li> </ul>	There are no negative issues from the resource person
<b>Villages around the Company</b> <b>Interviewees:</b> <ol style="list-style-type: none"> <li>1. Kembang Damai Village (Village Head)</li> <li>2. Kota Lama Village (Village Head)</li> </ol>	

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• The company absorbs workers from the village.</li> <li>• There are no issues regarding environmental pollution for the past 2 year.</li> <li>• The company has socialized about protected animals and conservation areas and put-up signs prohibiting hunting of certain animals around the plantation area.</li> <li>• Socialization on the prohibition of burning has been carried out for land clearing activities.</li> <li>• The company routinely provides assistance to villages in the form of CSR or direct assistance.</li> <li>• Communication between the village and the company is very good and the company always responds to requests from the village.</li> <li>• The complaint from Banja Ladang Community regarding land disputes covering an area of 320 hectares in 2019 is still in process of resolution.</li> </ul>	<p>Regarding the demands from Banja Ladang Community, the progress of the settlement has been explained in indicator 4.8.1.</p>
<p><b>Issues from online media:</b></p> <p><a href="https://zonapekan.com/news/detail/4135/konflik-lahan-warga-kotalama-sebut-ptpn-v-ingkar-janji">https://zonapekan.com/news/detail/4135/konflik-lahan-warga-kotalama-sebut-ptpn-v-ingkar-janji</a></p> <p>The information in the news was made on October 24, 2021 where it was conveyed that the people of Banja Ladang Kotalama took action to occupy the land of the PTPN V Sei Intan Oil Palm Plantation as a form of frustration from the residents of Banja Ladang over PTPN-V's attitude which was considered to have broken its promise to realize the replacement land for the KKPA Plantation covering an area of 320 hectares, as a substitute for community land that has been worked on by PTPN V since decades ago.</p>	<p>Regarding the issue through online media, the progress of the settlement has been explained in indicator 4.8.1.</p>
<p><b>Livestock and Plantation Office of Rokan Hulu Regency</b></p> <ul style="list-style-type: none"> <li>• The last Plantation Business Assessment in 2021 with a Class II grade.</li> <li>• LPUP (Plantation Business Progress Report) has been reported regularly.</li> <li>• There has been no land fire in the company for the past 1 year.</li> <li>• Communication with the office is quite good.</li> <li>• Land conflicts for the residents of the old town covering an area of 320 ha.</li> <li>• The claim of the Kuto Darusalam sustainable forest community is 36 ha in the 100 stake area.</li> </ul>	<p>This has been verified in the report.</p> <p>Regarding the issue through online media, the progress of the settlement has been explained in indicator 4.8.1.</p>
<p><b>BPN (National Land Agency) Office of Rokan Hulu Regency</b></p> <ul style="list-style-type: none"> <li>• There are no new HGU additions.</li> <li>• Sei Intan area, relatively flat and no peat.</li> <li>• There is no overlap with other companies and licenses.</li> </ul>	<p>This has been verified in the report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>The company's communication with the agency is quite good.</li> </ul>	
<p><b>PT Aqila Perdana Sejahtera – Plant Maintenance Contractor.</b> The location is in Kasikan Village, Tapung Hulu, with a distance of ±10 km from the company.</p> <ul style="list-style-type: none"> <li>Obtain a work contract with PTPN V Sei Intan by means of an auction.</li> <li>There were no requests for money or other matters during the auction process and when working with companies.</li> <li>Never give gifts/money/other goods to company representatives.</li> <li>Employment contracts for plant maintenance work.</li> <li>The number of workers is around 20 – 30 depending on the volume of work, with an age range of 28 – 50 years.</li> <li>PPE for workers is provided by the Contractor.</li> </ul>	<p>This has been verified in the report.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara V – Sei Intan Management Representative</p>  <p><u>Hendra SP</u> Thursday, 3 November 2022</p> </div> <div style="text-align: center;"> <p>MUTU International Lead Auditor</p>  <p><u>Hasiholan Sihombing</u> Thursday, 3 November 2022</p> </div> </div>



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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Rokan Hulu Regency Environmental Service	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
2	Subur Makmur Cooperative	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
3	PT Sugih Indah Sejati (FFB Supplier)	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
4	Mukhtar (Agent FFB)	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
5	Kota Lama Village	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
6	Kembang Damai Village	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
7	Rokan Hulu District Manpower Office	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
8	Labor Union	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
9	Gender Committee	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
10	Livestock and Plantation Agency	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
11	Land Office	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
12	PT Aqila Perdana Sejahtera (Contractor)	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
13	<b>Sei Intan Mill</b> <ul style="list-style-type: none"> <li>• 2 Worker in WWTP</li> <li>• 2 Worker in LA</li> <li>• 1 Worker in EBA</li> <li>• 1 Worker in Housing Complex</li> <li>• 1 Worker in security post.</li> <li>• 1 Worker in weighbridge</li> <li>• 2 Worker in sorting station</li> <li>• 1 Worker in chemical warehouse</li> <li>• 1 Worker in a temporary storage area</li> <li>• 1 operator in Kernel Station</li> <li>• 1 Operator and 1 Foremen in Boiler Station</li> <li>• 1 Operator in Sterilyzer Station</li> <li>• 1 worker in Clarification</li> </ul>	Rokan Hulu Regency	-	Direct Interview	August 2, 2022	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	Station <ul style="list-style-type: none"> <li>• 1 worker in Press Station</li> <li>• 1 Operator in Hoisting Crane Station</li> <li>• 1 Operator Engine Room</li> </ul>						
14	<b>Sei Intan Estate</b> <ul style="list-style-type: none"> <li>• 1 Worker in Chemical warehouse</li> <li>• 2 Worker in Workshop</li> <li>• 1 team fire fighting</li> <li>• 1 Worker in Housing Complex</li> <li>• 1 Foremen and 6 Worker in Spraying.</li> <li>• 1 Foremen and 2 Harvester.</li> </ul>	Rokan Hulu Regency	-	Direct Interview	August 3, 2022	✓	
15	World Wide Fund	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Via email	July 25, 2022		✓
16	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Via email	July 25, 2022		✓
17	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	July 25, 2022		✓
18	AMAN	Indonesia	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Via email	July 25, 2022		✓

**Appendix 2. Assessment Program**

DATE	1 – 5 August 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 1 August 2022</b>		
07.30 – 09.15	<b>JAKARTA → PEKANBARU</b>	All Auditor
09.30 – 14.00	From the airport to the audit location in Rokan Hulu District	All Auditor
15.00 – 17.00	<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>	Management of Unit Certification  All Auditor
<b>Tuesday, 2 August 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Stakeholders consultation by phone to related agencies</li> <li>Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners by phone</li> <li>Interview by phone with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any)</li> <li>Document Verification</li> </ul>	All Auditor
12.00 – 14.00	<b>Break</b>	
14.00 – 16.30	<b>Field observation to Sei Intan POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge)</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; land application</li> </ul>	HHS  SAS & KFI  RAB
16.30 – 17.00	Submission of audit progress	All Auditor
<b>Wednesday, 3 August 2022</b>		
08.00 – 12.00	<b>Field Observation to Sei Intan Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> </ul>	HHS  SAS & KFI  RAB

DATE	1 – 5 August 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	<ul style="list-style-type: none"> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	All Auditor
14.00 – 16.30	<p>Break</p>	All Auditor
16.30 – 17.00	<ul style="list-style-type: none"> <li>Continuing stakeholder consultation (if anything was not done the previous day)</li> <li>Continuing Document Verification</li> </ul> <p>Submission of audit progress</p>	All Auditor
<b>Thursday, 4 August 2022</b>		
08.00 – 11.30	<ul style="list-style-type: none"> <li>Continuing stakeholder consultation (if anything was not done the previous day)</li> <li>Continuing Document Verification</li> </ul>	All Auditor
12.00 – 14.00	<p>Break</p>	All Auditor
14.00 – 16.30	<ul style="list-style-type: none"> <li>Continuing stakeholder consultation (if anything was not done the previous day)</li> <li>Continuing Document Verification</li> </ul>	All Auditor
16.30 – 17.00	<p>Submission of audit progress</p>	All Auditor
17.00 – 18.00	<p>Interim Meeting (closing meeting preparation)</p>	All Auditor
<b>Friday, 5 August 2022</b>		
08.00 – 10.00	<p><b>CLOSING MEETING</b></p> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	All Auditor
10.00 – 10.30	<p>Travel to the airport in Pekanbaru</p>	All Auditor
12.35 – 14.20	<p><b>PEKANBARU → JAKARTA</b></p>	All Auditor