

***Roundtable on Sustainable Palm Oil Certification  
R S P O***

**[✓] Surveillance**

Name of Management Organization : **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 September 2023

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
<b>ASA-4</b>	<b>29 - 31 May &amp; 2 June 2023</b>	Moh. Arif Yusni (Lead Auditor Witnessing), Rindu Galih Rezza Rachmansyah (Lead Auditor Witnessed), Afiffuddin, Erika Lucitawati and Ririn Sipayung	Octo HPN Nainggolan	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-4</b>	15 September 2023

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

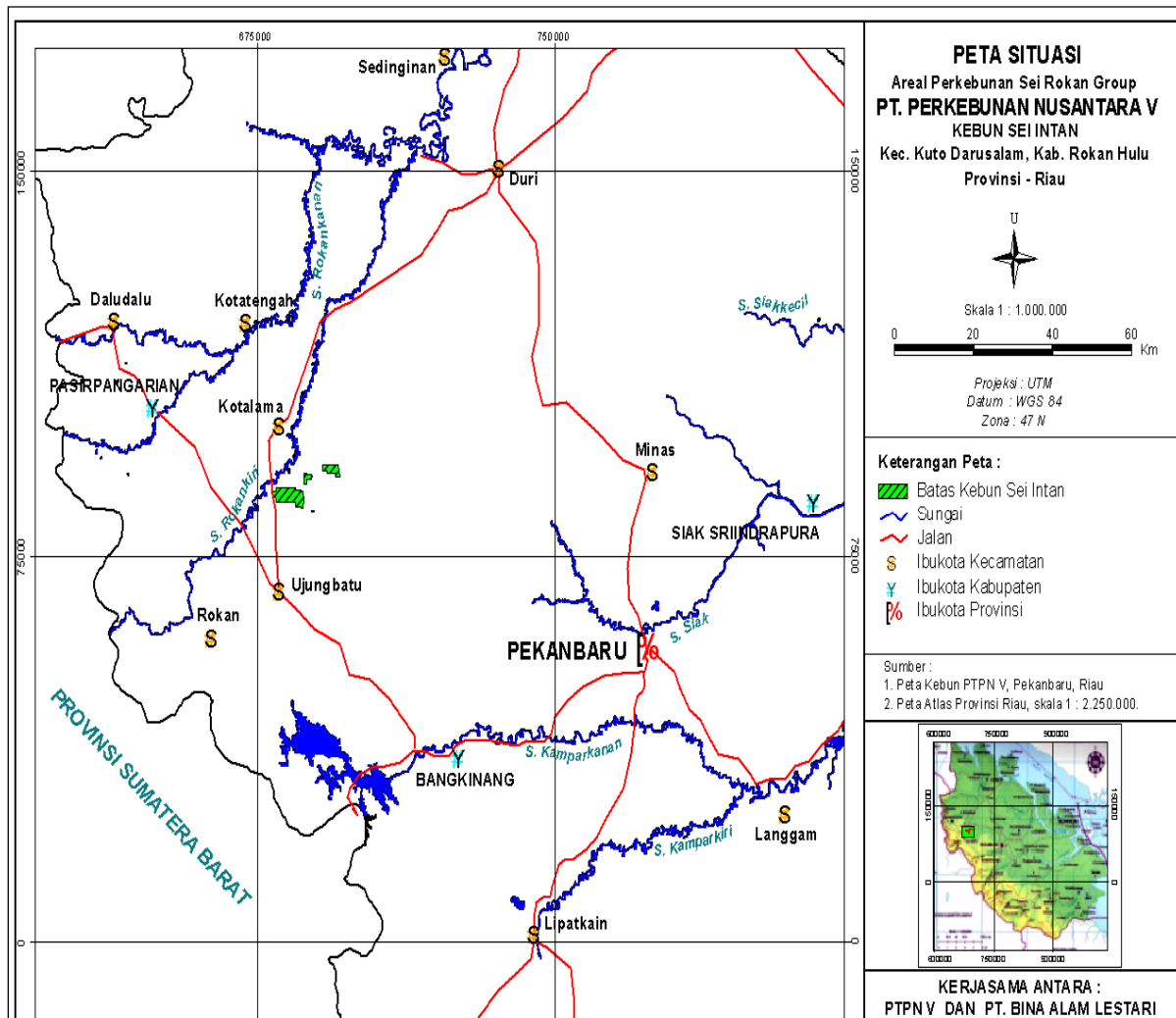
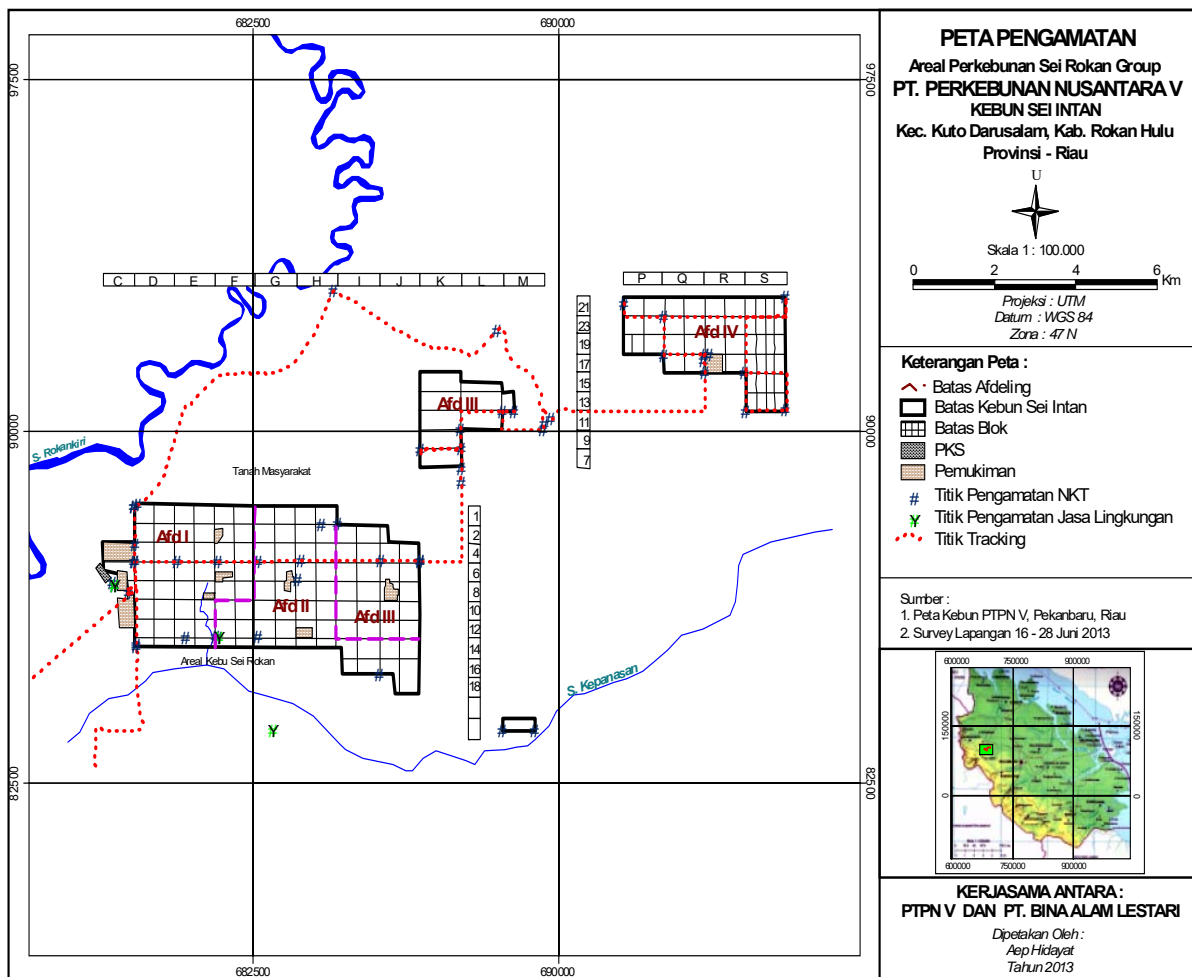


Figure 2. Operational Map of PT Perkebunan Nusantara V – Sei Intan Palm Oil Mill



## 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

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<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>	
<b>1.2</b>	<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, Pekanbaru, 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.	
<b>1.3</b>	<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	
<b>1.4</b>	<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"
<b>1.5</b>	<b>Description of Area Statement</b>		
1.5.1	Tenure		
	• State	3,286.40 ha	
	• Community	- ha	
1.5.2	<b>Area Statement</b>		

	<ul style="list-style-type: none"> <li>• <b>Total area</b></li> <li>• Mature area</li> <li>• Housing, Road, Office, etc</li> <li>• Mill</li> <li>• HCV</li> </ul>	<b>3,286.40</b> ha 3,092.68 ha 182.97 ha 8.12 ha 2.63 ha
<b>1.6</b>	<b>Planting Year and Cycles</b>	
1.6.1	Age profile of planting year	
	Planting Year	Hectarage (Ha) Sei Intan Estate <b>Total</b>
	1997	179.00      179.00
	1998	40.00      40.00
	2004	23.00      23.00
	2011	1,052.00      1,052.00
	2012	934.00      934.00
	2017	680.92      680.92
	2018	183.76      183.76
	<b>TOTAL</b>	<b>3,092.68</b> <b>3,092.68</b>
1.6.2	New Planting area after January 2010	0 ha
1.6.3	Planting Cycle	2 <sup>nd</sup> Cycle
<b>1.7</b>	<b>Description of Mill and Supply Base</b>	
1.7.1	Description of Mill	
	Name of Mill	Capacity (tonnes/ hour) FFB Processed (tonnes/year) CPO Out put (tonnes)      Extraction (%) Palm Kernel Out put (tonnes)      Extraction (%)
	Sei Intan POM	30 170,771.45 22.42      38,293.76      4.17      7,120.68
	<i>*Production data source from May 2022 to April 2023</i>	
1.7.2	Description of Certification Scope of Supply Base	
	Name of Estate	Total Area (Ha) Production Area (Ha) FFB (tonnes/year) Yield (tonnes/ ha/year) Supplied to Mill FFB (tonnes/year)      %
	Sei Intan Estate	3,286.40      3,092.68      74,297.57      24.02      74,297.57      100
	<b>TOTAL</b>	<b>3,286.40      3,092.68      74,297.57      24.02      74,297.57      100</b>
	<i>*Production data source from May 2022 to April 2023</i>	
1.7.3	FFB description from other source	
	Name of sources/Organization (RSPO certified / non-certified)	Type of Organization number of smallholders Production Area (Ha) Supplied to Mill FFB (tonnes/year)
	Sei Rokan Estate (RSPO Certified)	PTPN V      -      10,630.10      52,154.74
	Ade Putra (RSPO Non-Certified)	Independent Suppliers      -      -      3,250.28
	Gusrianto (RSPO Non-Certified)	Independent Suppliers      -      -      6,251.23
	Mukhtar (RSPO Non-Certified)	Independent Suppliers      -      -      1,672.18
	Nopra Walidi (RSPO Non-Certified)	Independent Suppliers      -      -      1,401.47



	Certified)							
	Silvia Devi (RSPO Non-Certified)	Independent Suppliers	-	-	1,110.86			
	Megi Z (RSPO Non-Certified)	Independent Suppliers	-	-	5,686.94			
	Muara Dilam (RSPO Non-Certified)	Independent Suppliers	-	-	659.28			
	Iswandi (RSPO Non-Certified)	Independent Suppliers	-	-	2,704.26			
	Anton/Imron (RSPO Non-Certified)	Independent Suppliers	-	-	2,886.10			
	Rufina (RSPO Non-Certified)	Independent Suppliers	-	-	1,304.97			
	Paizon Hakiki (RSPO Non-Certified)	Independent Suppliers	-	-	670.17			
	PT SIS (RSPO Non-Certified)	Independent Suppliers	-	-	15,390.06			
	KUD Gemah Ripah (RSPO Non-Certified)	Independent Suppliers	-	-	2,274.08			
	TOTAL				97,416.62			
	*Production data source from May 2022 to April 2023							
1.7.4	Product categories		FFB, CPO, PK					
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Actual Production MT)			
	FFB Processed		126,746		112,841.04			
	CPO Production		27,297		26,547.13			
	Palm Kernel (PK) Production		5,534		4697.06			
1.8.2	Product selling							
	Type of selling product		Actual selling product period (17 December 2022 – 30 April 2023) (MT)					
	CSPO sold as RSPO certified product		2,758.92					
	CSPK sold as RSPO certified product		3,922.75					
	CSPO sold under other scheme		5,010.00					
	CSPK sold under other scheme		0					
	CSPO sold as conventional		20,956.75					
	CSPK sold as conventional		0					
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	75,000	24.25		
	TOTAL		3,286.40	3,092.68	75,000	24.25		
*Projected FFB production for 12 months of certificate								
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	75,000	17,000	22.66	3,300	4.40	Mass Balance
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	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	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	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	Certified in 2022		
	Tanjung Seumantoh (PTPN I)	2023	Lama Estate	2023	Aceh Timur District, Aceh Province			
			Baru Estate	2023	Aceh Timur District, Aceh Province			
			Tualang Sawit Estate	2024	Aceh Timur Distrcit, Aceh Province			
			Julok Rayeuk Selatan Estate	2024	Aceh Timur District, Aceh Province			
	Cot Girek (PTPN I)	2023	Julok Rayeuk Utara Estate	2024	Aceh Utara District, Aceh Province			
			Cot Girek Es-tate	2023	Aceh Utara District, Aceh Province			
	Sawit Hulu (PTPN II)	2022	Sawit Hulu Estate	2022	Langkat District, Sumatera Utara Province	Audit on December 2022		
	Kwala Sawit (PTPN II)	2023	Kwala Sawit Estate	2023	Langkat District, Sumatera Utara Province			
			Air Tenang Estate	2023	Langkat District, Sumatera Utara Province			
	Sawit Seberang (PTPN II)	2023	Batang Serangan Estate	2023	Langkat District, Sumatera Utara Province			
			Sawit Seberang Estate	2023	Langkat District, Sumatera Utara Province			
			Tanjung Jati (Rayon) Estate	2023	Langkat District, Sumatera Utara Province			
	Pagar Merbau (PTPN II)	2022	Tanjung Garbus Estate	2022	Deli Serdang District, Sumatera Utara Province	Certified in 2022		
			Melati Estate	2023	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	2023	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
	Dolok Ilir (PTPN IV)	2015	Dolok 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	2022	Simalungun, Sumatera Utara	Certified in 2022
			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)
			Balimbangan	2018	Simalungun, Sumatera Utara	Certified on April 2018
	Mayang (PTPN IV)	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified on March 2019
			Bukit Lima	2023	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
	Timur (PTPN IV)	2023	Timur	2023	Mandailing Natal, Sumatera Utara	
			Balap	2024	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	2024	Labuhan Batu Utara, Sumatera Utara	
	Sosa (PTPN IV)	2022	Sosa	2022	Padang Lawas, Sumatera Utara	Certified in 2019
	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	2023	Rokan Hulu District, Riau Province, Indonesia.	
			KUD Karya Mukti	2023	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	Audited in November 2022
	Tanah Putih	2019	Tanah Putih	2019	Rokan Hilir District, Riau	Certified

	(PTPN V)				Province, Indonesia	
	Lubuk Dalam (PTPN V)	2019	Lubuk Dalam	2019	Siak District, Riau Province, Indonesia	Certified
			Lubuk Dalam Plasma	2023	Siak District, Riau Province, Indonesia	
	Sei Buatan (PTPN V)	2022	Sei Buatan	2022	Siak District, Riau Province, Indonesia	Certified in 2022
			Air Molek 1	2023	Siak District, Riau Province, Indonesia	
			Air Molek II	2023	Siak District, Riau Province, Indonesia	
			KUD Karya Dharma	2023	Siak District, Riau Province, Indonesia	
			KUD Tunas Karya	2023	Siak District, Riau Province, Indonesia	
	Sei Galuh (PTPN V)	2023	Sei Galuh	2022	Kampar District, Riau Province, Indonesia	Certified 2022
			Sei Galuh Plasma	2023	Kampar District, Riau Province, Indonesia	
	Sei Pagar (PTPN V)	2019	Sei Pagar	2019	Kampar District, Riau Province, Indonesia	Certified
			Sei Pagar Plasma	2023	Kampar District, Riau Province, Indonesia	
	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)	2023	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	Certified
	Bunut (PTPN VI)	2022	Bunut	2022	Jambi Province	Certified
	Ophir (PTPN VI)	2022	Ophir	2022	Sumatra Barat Province	Certified in 2023
			Pangkalan 50	2023	Sumatra Barat Province	
	Aur Gading (PTPN VI)	2023	Durian Luncuk	2022	Jambi Province	Certified
	Solok Selatan (PTPN VI)	2023	Solok Selatan	2023	Jambi Province	
	Tanjung Lebar (PTPN VI)	2022	Tanjung Lebar	2022	Jambi Province	Certified
			Bukit Cermin	2023	Jambi Province	
	Bekri	2022	Bekri	2022	Lampung Province	Certified



	(PTPN VII)		Rejosari	2022	Lampung Province	Certified
			Padang Ratu	2022	Lampung Province	Certified
	Betung (PTPN VII)	2022	Betung	2022	Lampung Province	Certified
			Bentayan	2026	Lampung Province	
	Talang Sawit (PTPN VII)	2023	Betung Krawo	2022	Musi Banyuasin District, Sumatera Selatan Province	Audited in December 2022
	Sungai Lengi (PTPN VII)	2023	Sungai Lengi	2022	Muara Enim District, Sumatera Selatan Province	Certified
	Kertajaya (PTPN VIII)	2022	Kertajaya	2022	Lebak District, Banten Province	Certified
			Cisalak Baru	2023	Lebak District, Banten Province	
			Bojongdatar	2023	Lebak District, Banten Province	
	Cikasungka (PTPN VIII)	2023	Cikasungka	2023	Bogor District, Jawa barat Province	
			Sukamaju	2023	Sukabumi District, Jawa barat Province	
	Gunung Meliau (PTPN XIII)	2023	Gunung Meliau	2023	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	Certified
			Keera-Maroon	2024	Luwu Timur, District, Sulawesi Tengah	
			Malili	2026	Luwu Timur, District, Sulawesi Tengah	
			Asera	2025	Luwu Timur, District, Sulawesi Tengah	
<p><b><u>PTPTN I</u></b> Time bound plan (TBP) for uncertified unit such as PKS Tanjung Seumantoh, PKS Cot Girek, and its supply bases has revised from 2022 to become 2023. There are two estates that expected to be certified in 2024, i.e.: Tualang sawit and Julok Rayeuk Utara Estate. There is no smallholder scheme in PTPN I units.</p> <p><b><u>PTPN II</u></b></p> <ul style="list-style-type: none"> <li>PKS Pagar Merbau had certified in 2022. However, TBP for uncertified unit of its estate supply bases has revised from 2022 to become 2024. There is only two units is expected to be certified in 2023.</li> </ul>						



- In TBP, Sawit Hulu and Sawit Seberang has audited in December 2022
- PKS Kwala Sawit. The TBP of mill and estate supply base has revised from 2022 to become 2023. All units is expected to be certified in 2023.

### **PTPN III**

PTPN III has a time-bound plan to achieve RSPO certification for all relevant entities included all of units are not certified Rambutan Estate, Bandar Betsy Estate) and joint venture (JV) unit (Julok Rayeuk Selatan & Karang Inong Estate) with other PTPN at Aceh Province.

PTPN III has changed the time-bound plan in accordance with the self assessment. The justification of changes because there are some problems in accordance with RSPO requirements as follow:

- a. Some Estates (Batang Toru, Hapesong, Rambutan and Bandar Betsy) have conducted a conversion from rubber to oil palm.
- b. There is a land conflict on going in the other PTPN III's management units, such as Batang Toru Estate coverage 276.16 Ha (updated on September 2022). While the company has already made a conflict resolution mechanism, these conflicts remain un-resolved, as the land claimants do still not agree the mechanism.
- c. There are 2 (two) units at Aceh Province that joint venture with other PTPN (KKINO & KJLRS).

### **PTPN IV**

The time bound plan is available and any revision from previous time bound plan. Refer to the time bound plan on **Table 8** above.

There are some units are not certified, e.i. Timur estate, Batang Laping estate, Bah Birung Ulu estate, Dolok Sinumbah estate, Bukit Lima estate and Panai jaya Estate.

### **PTPN V**

The time bound plan is available and any revision from previous time bound plan as presented on table above, section 5.1. The reason for revising the previous time bound plan are adding the scheme of smallholder (plasma) unit which managed by a single management system and any the part of Sei Pagar areas not include of the scope of RSPO P&C certification. The organization has demonstrated all relevant documents/informations. Revision of time bound plan has reviewed by CB and CB has approved about it.

### **PTPN VI**

The time bound plan is available and any revision from previous time bound plan. Refer to the time bound plan on **Table 8** above.

PTPN VI has provided letter above, letter no.S.01/06.S2/V/2021 dated on 3 May 2021 to LUCA consultant, reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 for all uncertified management unit and reason of revision of time bound plan. Based on those evidences so CB has approved revision it because initial requirement has not available i.e the review of disclosure and LUCA has not been available.

### **PTPN VII**

PKS Talang Sawit: as stated by RSPO secretariat through email dated 10 January 2022, it was known that disclosure for Betung Krawo Estate on area covers 9,623.82 ha was zero liability. Thus, LUCA is not necessary for Betung Krawo Estate. However, disclosure registration, LUCA and HCV assessment for Bentayan Estate are not available, LUCA and HCV assessment for Senabing Estate are not available.

### **PTPN VIII**

PKS Kertajaya: self-assessment for Kertajaya Estate Afdeling 3 and 4, as well as for Cisalakbaru Estate are not available, included disclosure registration and LUCA. Apart from Cisalak Baru Estate, HCV assessment for Bojongdatar and Kertajaya Afdeling 3&4 are not available.

PKS Cikasukka: LUCA for Cikasukka Estate on area covers 3,967.38 ha has final conservation liability for 0 ha and 21.08 ha of environmental remediation area. The LUCA stated pass through email dated 06 December 2022.

### **PTPN XIV**

The time bound plan is available as refer to the time bound plan on **Table 8** above. There are some units are not certified,

	e.i. Asera estate, Malili estate, Keera Maroangin.
<b>1.10.2</b>	<b>Progress of Associated Smallholders and Out growers for Certifiable Standard</b>
	The Company didn't have associated smallholders and out growers.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA 4</b>	<p>1. <b>Moh. Arif Yusni (Lead Auditor Witnessing).</b> Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO LA Refresher Course, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects.</p> <p>2. <b>Rindu Galih Rezza Rachmansyah (Auditor)</b> Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP &amp; NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Legality, Social, TBP Partial certification, environmental, GHG and HCV aspects.</p> <p>3. <b>Afiffuddin (Auditor).</b> Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor &amp; SCCS, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He conducted an assessment on BMP Agronomy and long-term budget.</p> <p>4. <b>Erika Lucitawati (Auditor).</b> Indonesian citizen, Bachelor of Engineering, Diponegoro University. The trainings he has attended include Lead Auditor ISO 14001:2015; IHT ISO 19011:2018, ISO 17021:2015, ISO 17065:2012, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018; ISPO Auditor and Candidate General OHS Expert. Has carried out several audit activities on environmental, conservation, and social aspects. During this audit, she was assigned to verify worker welfare and transparency.</p> <p>5. <b>Ririn Sipayung (Auditor Trainee).</b> Experience working as a Sustainability Assistant for 6 years in several private oil palm plantation companies in Indonesia. The trainings that have been attended include Lead Auditor RSPO PNC 2018, IRCA Lead Auditor Training 9001:2015,, Refreshment New ISPO (PERMENTAN 38 of 2020), Awareness (ISO 9001, ISO 14001, ISO 45001: 2018, ISO 19011: 2018, ISO 17021: 2015, ISO 17065 : 2012), Management of HCV in ISPO, In House Training (Best Management Practice, Environment, Employment, Social, and Transparency), <i>Calon Ahli Keselamatan dan Kesehatan Kerja</i> (AK3U) by the Ministry of Manpower of the Republic of Indonesia, ISPO Auditor Certification by LPP and ISPO Commission, Handling and Control of Land Fires by Dinas Perkebunan KALBAR Province, Hazardous Waste Management by <i>Dinas Lingkungan Hidup</i> of KALBAR Province, Traceability Supply Chain and Smallholder Engagement and so on. Has carried out several audit activities and in this audit, activity verified the Environmental, Conservation and GHG aspects under the supervision of the Lead Auditor.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA 4</b>	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for <b>ASA 4</b> Onsite Audit: 4 days</p> <p>Number of working days for <b>ASA 4</b> Onsite Audit: 12 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA 4</b>	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.

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

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 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-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (RC).

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

The assessment program please find Appendix 2.

### 2.2.3 Locations of Assessment

#### ASA 4

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:

#### Sei Intan POM

- **Workshop.** Observations and interviews related to work procedures, employment systems, OSH, and environmental aspects.
- **Hazardous Waste Temporary Warehouse.** Observations and interviews related to work procedures, employment systems, OSH, and environmental aspects.
- **Chemical warehouse.** Observations and interviews related to work procedures, employment systems, OSH, and environmental aspects.
- **Oil Storage.** Observations related to work procedures, OSH, and environmental aspects.
- **Diesel Tank.** Observations related to work procedures, OSH, and environmental aspects.
- **Employee Housing (Emplacement).** Observation and interview related to house condition, public facility, OHS aspect, and waste management.
- **Security.** Observation the activity of the acceptance of FFB.
- **Weighbridge Station.** Observation the activity of weighing FFB.
- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and

effluent discharge records.

- **Empty bunch area.** Field observations related to empty bunch management.
- **Water Treatment Plant.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Grading Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Loading Ramp Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Sterilizer Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Thresher Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Press Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Clarification Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Kernel Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Empty Bunch Press Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Empty Bunch Area.** Observations related to palm oil waste management (empty bunch) and environmental management.
- **Boiler and Engine Room Station.** Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.
- **Hydrant Simulation in Kernel Station.** Observations and interviews with officers related to emergency response procedures and the availability of infrastructure.

### Sei Intan Estate

- **Block C10 Division 2 (HGU Pole No. 127).** Observation the conditions and position of legal boundary.
- **Block C06 Division 2 (HGU Pole No. 130).** Observation the conditions and position of legal boundary.
- **Block Q17 Division 3 (HGU Pole No. 139).** Observation the conditions and position of legal boundary.
- **Block P19 Division 3 (HGU Pole No. 140).** Observation the conditions and position of legal boundary.
- **Block D14 Division 3 (HGU Pole No. 141).** Observation the conditions and position of legal boundary.
- **Landfill Block J6 Division 3.** Observations related to domestic waste management.
- **Employee Housing Division 1 & 3.** Observation and interview related to house condition, public facility, OHS aspect, and waste management.
- **Riparian of Kepanasan River, block of 14/12 E, 8E and 10 E, Division of 1.** Observation regarding to riparian and HCV area.
- **Spare part and PPE warehouse.** Observation minimum stock of PPE's.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Pesticide mixing area.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Diesel Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Fertilizer warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Firefighting warehouse and simulation of firefighting equipment.** Material handling observations for OHS and simulations.
- **Rinse House.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.

	<ul style="list-style-type: none"> <li>• <b>Land Application at Block D08 Division 1.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> <li>• <b>Empty Bunch Application at Block G04 Division 2.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> <li>• <b>Circle Path Spraying at Block H06 Division 2.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> <li>• <b>Beneficial Plant at Block D6/D8 Division 3.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> <li>• <b>Harvesting at Block J12 Division 3.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> <li>• <b>FFB Transportation at Block J12 Division 3.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> <li>• <b>Fire Watchtower at Block G04 Division 2.</b> Observations and interviews related to work procedures, OHS, worker welfare, complaint mechanisms and environmental management.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA 4</b>	<p>Summary of stakeholder consultation process for PT Perkebunan Nusantara V – Sei Intan POM was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website on RSPO and MUTU Website on 15 May 2021</li> <li>• Public consultation with NGOs (by email) such as WALHI, AMAN, and Sawit Watch on 23 May 2023</li> <li>• Public consultation with government agencies of Rokan Hulu District (Agriculture Agency, Labor Agency and Environmental Agency, Land Office) on 30 – 31 May 2023.</li> <li>• Public consultation meeting with communities on 31 May 2023</li> <li>• Public consultation meeting with internal stakeholders and contractor 31 May 2023</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara V – Sei Intan POM</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <i>Recertification</i> ) will be conducted eight (9) months to twelve (12) months after new license published.



### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Sei Intan POM – PTPN V subsidiary of PTPN III 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; one (1) nonconformity 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 action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc). Those corrective action(s) taken that consist of four (4) Major non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Sei Intan POM – PTPN V subsidiary of PTPN III 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, 14 June 2017*.

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *Continued*.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>	
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1</b>	<p>The company also maintains a list of shareable master information, which is listed in the list of public information 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, the BPJS program, etc.</p> <p>According to interviews with the local community and local contractors, they have received socialization and information disclosure and have known the types and ways of obtaining information from the company.</p>
<b>1.1.2</b>	<p>Company can show records of providing information to relevant agencies in the form of regular reports presented in the appropriate language, for example:</p> <p><b>Labor aspects</b></p> <ul style="list-style-type: none"> <li>Mandatory report for the 2022 period to Ministry of Manpower of Republic of Indonesia on 17 June 2022 No. 28556.20220617.0003.</li> <li>Report on use of workers for temporary appointment work agreement, for example the period of 2023 to Manpower Agency of Riau Province on 10 Maret 2023.</li> </ul> <p><b>Environment Aspect</b></p> <ul style="list-style-type: none"> <li>Environmental management report for the second semester of 2022 which was reported to the Rokan Hulu Regency Environmental Service on April 27, 2023</li> <li>Report on the management of hazardous and toxic waste for the first quarter of 2023 which was reported to the Rokan Hulu Regency Environmental Service on May 17, 2023</li> </ul>

- Environmental management report for the first quarter of 2023 which was reported to the Rokan Hulu Regency Environmental Service on May 17, 2023.

### OHS Aspect

- Sei Intan OHS Committee - Quarterly Report IV, 2022 was reported to the Manpower and Transmigration Office of Riau Province on 17 February 2023.
- Sei Intan OHS Committee - Quarterly Report I, 2023 was reported to the Manpower and Transmigration Office of Riau Province on 10 May 2023.

### Legality Aspect

- Plantation Progress Report (LPUP) of PTPN V – Sei Intan (POM & Estate) period of Semester 2 2022 to Animal Husbandry and Plantation Agency of Rokan Hulu Regency in 17 January 2023.
- Firefighting Report of PTPN V – Sei Intan (POM & Estate) period of Semester 2 2022 to Animal Husbandry and Plantation Agency of Rokan Hulu Regency in 17 January 2023.
- HGU Utilization Report of PTPN V – Sei Intan (POM & Estate) period of 2022 to National Land Agency of Rokan Hulu Regency in 27 January 2023.

#### 1.1.3

The company shows procedure No. 38-SOP/BSP/PTPN-V/2016 regarding the management of public information services which includes flowcharts for requests for public information services, flowcharts for handling objections and flowcharts for reporting PTPN V public information services.

The company has shown the PKS / Perkebunan Sei Intan external logbook for the 2023 period. The company can show a response or realization document from the letter from the Kembang Damai Village Head regarding a request for funds for the inauguration of the Kembang Damai Village Head which was sent to the company on 13 February 2023 and the company responded on February 13, 2023.

Based on the results of interviews with community representatives and government agencies in the district. Information can be obtained that the company is always responsive in providing information when needed by stakeholders.

#### 1.1.4

The company has shown documents related to consultation and communication procedures set out in the SOP of PT. Perkebunan Nusantara V Document number 33-SOP / PEM / PTPN-V / 2020, issued on March 31, 2020, addresses complaints and community dissatisfaction.

The company has conducted outreach to stakeholders on May 23, 2023. The socialization includes socialization of the RSPO and socialization of communication and consultation SOPs. The socialization is carried out to stakeholders, namely:

- Kembang Damai Village
- Chairman of the Kembang Damai village youth group
- Chairman of BPD Kembang Damai Village
- Chairman of LKA Kembang Damai Village
- Head of Dusun Sei Karang
- RT and RW Dusun Sei Karang

Based on interviews with the surrounding village community, it is known that the company has conducted outreach to stakeholders regarding the information request mechanism.

#### 1.1.5

The company has shown documents related to the list of stakeholders owned by the company which was updated on April 14, 2023 by the Kerani System Management and approved by the PKS and Kebun Sei Intan managers. The document explains the name of the agency, address, name of the official and contact number of the person. The following is an example of a stakeholder list:

- 5 Governments of Riau Province
- 7 district governments of Rokan Hulu



- 5 District Governments
- 3 Village Governments
- 6 Suppliers/suppliers
- 13 FFB Suppliers
- 8 Contractors
- 5 NGOs
- 2 Customary Law Communities
- 2 employee organizations in the company.

During audit the auditor carried consultations with stakeholders and its can be contacted in example District government, FFB Suppliers and etc.

**Status: Comply**

### 1.2

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

#### 1.2.1

The company has a code of conduct that was set on January 29, 2020 which states,:

- In chapter II.8 point 1, the company's personnel in carrying out their business do not recognize the practice of bribery and commissions.
- 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.

The company has code of conduct stipulated in policy document of *Kebijakan Minyak Sawit Berkelanjutan* (Sustainability) on October 1, 2021 which was approved by Director which states several points including:

- Comply with applicable laws and regulations and other requirements deemed necessary by Management of PT Perkebunan Nusantara V to be implemented into the implementation of production activities.
- Commit to ethical conduct in doing business in all transactions and business operations, prohibiting all forms of corruption, bribery and fraud in the use of funds and resources.

Results of interviews with representative management indicate that the company has an internal audit mechanism to ensure compliance with regulations and compliance with RSPO standards which are conducted routinely once a year. In addition, the company also has a complaint procedure if there is a complaint regarding a violation of company policy. Complaint procedures are also routinely disseminated to workers. Code of ethics socialization has also been carried out to contractors, for example to PT Sugih Indah Sejati on January 1, 2023. The results of verification of complaint documents and interviews with workers and unions obtained information that there was no violation of the company's policies or code of ethics.

#### 1.2.2

Results of interviews with management representative indicate that the company has an internal audit mechanism to ensure compliance with regulations and compliance with RSPO standards which is conducted routinely once a year. For example, an internal audit has been carried out for the 2023 period May 9-12 2023 which includes aspects of compliance and policy implementation. In addition, the company also has complaint procedure if there is a complaint regarding violation of company policies contained in the SOP No. procedure. 34-SOP/PEM/PTPN-V/2020 which was ratified on March 31, 2020 in which external and internal complaints can be submitted via letter/fax, email, direct communication via telephone, and verbal/face to face.

**Status: Comply**

### PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

#### 2.1

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

##### 2.1.1

The company has list of regulations of 2023 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:

### **Legality Aspect**

- 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.
- The company has a Land Title (HGU) for PTPN V – Sei Intan (POM & Estate) 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 issued on 14 October 1999. The following is the Land Title certificate (HGU) for PTPN V – Sei Intan (3,286.40 Ha):
  - ❖ Land Title (HGU) Certificate No. 02 for an area of 4,877.801 Ha (Sei Intan is 2,157.85 Ha and the rest is the Sei Rokan area) which was issued on 21 April 2001 and is valid until 19 April 2036.
  - ❖ Land Title (HGU) Certificate No. 03 for an area of 23.55 Ha which was issued on 21 April 2001 and is valid until 19 April 2036.
  - ❖ Land Title (HGU) Certificate No. 05 for an area of 357 Ha which was issued on 21 April 2001 and is valid until 19 April 2036.
  - ❖ Land Title (HGU) certificate No. 04 for an area of 748 Ha issued on 21 April 2001 and is valid until 19 April 2036.

### **Worker Welfare Aspect**

The company has complied with legal compliance in the field of employment, for example:

- Providing wages in accordance with the minimum wage set by the government.
- Reporting Fixed Time Employment Agreement workers and Temporary Appointment Work Agreement workers to the relevant agencies.

### **Environment Aspect**

- Environmental management report for the second semester of 2022 which was reported to the Rokan Hulu Regency Environmental Service on April 27, 2023.
- Report on the management of hazardous and toxic waste for the first quarter of 2023 which was reported to the Rokan Hulu Regency Environmental Service on May 17, 2023.
- Environmental management report for the first quarter of 2023 which was reported to the Rokan Hulu Regency Environmental Service on May 17, 2023.

### **Best Management Practice aspect**

In best management practices, it is known that plantation and mill management have implemented several laws and regulations in Indonesia, for example using mechanical or non-burning methods during land clearing, oil palm planted comes from seed producers recognized by the Indonesian government, such as *Pusat Penelitian Kelapa Sawit* (Indonesian Oil Palm Research Institute). Furthermore, management unit have implemented integrated pest control, biological control and only use pesticides that have a distribution permit from the ministry of agriculture.

### **OHS**

- The establishment of the P2K3 (OHS Committee) for PT Perkebunan Nusantara Sei Intan POM which has been explained in indicator 6.7.1.
- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC which has been explained in indicator 6.7.3.
- Have permits for all factory operating machines and estate operators.

Based on the explanation above, it can be concluded that the company in general has implemented and complied with the relevant legal regulations in Indonesia.

### **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. The procedures include explaining that regulations can be obtained and updated by contacting government and non-government agencies to ensure that the latest regulations apply, including international, national, and local and actively visit related websites. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO.

Internal audit of regulations compliance is conducted annually as example on 16 Mei 2023. From the results of this evaluation, it is known that in general all relevant regulations have been complied with by the company and there are several improvements needed in terms of compliance such as those related to worker health checks which have not been completed entirely in 2023. However, this was immediately followed up and has complete inspection on 27 May 2023.

In addition to going through a compliance audit / internal audit, the company conducts monitoring and evaluation of third parties (contractors) through contractor evaluation activities which are conducted at least once a year. The types of evaluations carried out include contract compliance, contractor quality and performance, accuracy of work completion, and etc., its described-on 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 Land Title (HGU) is done every semester. However, the company in its implementation does this every month, this is done so that the monitoring distance for the condition of the stakes can be controlled in a short period of time.

During audit the unit of certification presented document of boundaries monitoring where the last activity conducted in April 2023 and based on monitoring all boundaries are available and the conditions was good. Based on observation to in poles sample No. 127, 130, 139, 140 & 141 in Sei Intan Estate it was known that Boundaries poles were satisfactory maintained and easy to identify. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by National Land Agency.

**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:

- CV Soki Tamelin
- UD Siyata
- PT Wahanatama Hijau Mutiara Mandiri
- PT Mujur Karya Sentosa
- PT Nabilah Putri Tunggal
- PT Dila Pratama Mandiri
- PT Wiratama Dharma Abadi
- PT Palma Abadi Transindo
- PT Sipakko Jaya Abadi
- PT Jaya Wira Manggala
- PT Romorazunt

The list of contractors includes all contractors who work with the POM and estate units, such as contractors in the areas of environmental analysis services, development, transportation of FFB, etc.

### 2.2.2

Based on the results of document review, the company shows the following documents:

- SOP Review Contract No. SOP/ADMI/02 Rev. 02 dated January 2, 2018 which explains that the administrative assistant coordinates with other section assistants to make an evaluation of the contractor's performance at the beginning of each year which will be considered in the selection of records the following year.
- Partnership Evaluation Guidelines No. DP/ADMI/4.01 dated August 1, 2018 which contains parameters for assessing the performance evaluation of contractors including compliance with applicable laws and laws, ethical behavior in business, prohibition of child labour, application of minimum wages, use of PPE, implementation of matters related to OHS, etc.
- Partnership Evaluation for Semester II of 2022 dated January 3, 2023 which contains the evaluation results of contractors

including PT Romorazunt, PT Sugih Indah Sejati, PT Mujur Karya Sentosa, and PT Jaya Wira Manggala with the results of partners who are very supportive of the Sei Intan Plantation and are recommended to become partners for next year.

In terms of implementation of the fulfillment of relevant legal obligations, the company has shown documents from the third party concerned, the company shows the following documents.

### PT Mujur Karya Sentosa

- Agreement No. 305/TNM/SPER/SPPBJ/1546/XII/2021 with PT Mujur Karya Sentosa dated December 21, 2021 and valid until December 31, 2024. Type of work is transporting FFB at Sei Intan Estate.
- PT Mujur Karya Sentosa for FFB transportation has 14 workers.
- Employee of PT Mujur Karya Sentosa a.n. G (initials) which has a work agreement with PT Mujur Karya Sentosa No. 01 /BA-KK/XII/2022 with an income of Rp. 7,054,650 in April 2023 and there are deductions for *BPJS Kesehatan* and *BPJS Ketenagakerjaan*.

### PT Romorazunt

- Agreement No. SPPBJ/N00E/2022/0649 with PT Romorazunt July 12-December 31, 2022. Type of work is oil palm replanting at Sei Intan Estate.
- PT Romorazunt for replanting work has 8 workers.
- PT Romorazunt employee a.n. BS (initials) who already has a work agreement with PT Romorazunt No. 03 /BA- KKV/2022 income of Rp. 5,280,000 in November 2022 and there are deductions for *BPJS Kesehatan* and *BPJS Ketenagakerjaan*.

### PT Sugih Indah Sejati

- Agreement No. 5.LTSA/SP/07/IV/2023 with PT Sugih Indah Sejati April 1-June 30, 2023. Type of work is supplier of FFB and loose fruit to Sei Intan POM.
- However, the company has not been able to show proof of implementation of the fulfillment of relevant legal obligations in the employment aspect such as a list of workers working at Sei Intan POM, proof of payment of wages to workers, and proof of provision of *BPJS Kesehatan* and *BPJS Ketenagakerjaan* to workers working at Sei Intan POM.

### PT Jaya Wira Manggala

- The company has not been able to show the security cooperation agreement between PT Perkebunan Nusantara V and PT Jaya Wira Manggala.
- PT Jaya Wira Manggala for security work has 30 workers.
- However, the company has not been able to show proof of implementation of the fulfillment of relevant legal obligations in the employment aspect such as a list of workers working at Sei Intan Unit, proof of payment of wages to workers, and proof of provision of *BPJS Kesehatan* and *BPJS Ketenagakerjaan* to workers working at Sei Intan Unit.

Thus, the company has not been able to show sufficient evidence that all cooperation with third parties has fulfilled relevant and verifiable legal obligations, such as cooperation agreements, lists of workers working in certification units, proof of payments to workers, and proof of the provision of *BPJS Kesehatan* and *BPJS Ketenagakerjaan* for workers working in the unit of certification.

**This becomes nonconformity No. 2023.1 with Minor Category.**

### 2.2.3

The company has already ethical code for contractor which has been signed by each contractor. For example, the company has shown ethical conduct in document of Agreement number SPPBJ/N00E/2022/0649 with PT Romorazunt which was signed on 05 July 2022. In a document that has been signed by the contractor which contains a statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked.

2.2.2.2 Status: Nonconformity No. 2023.1 with Minor Category

### 2.3

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

### 2.3.1

The company has a list of Direct and Indirect FFB suppliers for the acceptance period for the past year (2022/2023). From the list it

is known that there are 3 direct suppliers who send FFB to Sei Intan POM originating from PTPN V Group. Sources of FFB suppliers include:

- PTPN V – Sei Intan Estate (RSPO Certified).
- PTPN V – Sei Berlian (RSPO Certified).
- PTPN V – Sei Rokan (RSPO Certified).

Based on the direct suppliers mentioned above, it is known that currently these suppliers are RSPO certified suppliers. Since all of the direct suppliers mentioned above have received RSPO certificates, it can be ensured that the geolocation information on the origin of FFB, land ownership status, along with other permits have been fulfilled (legality requirements, geolocation and land ownership status are things that must be fulfilled in RSPO certification).

### 2.3.2

As explained in indicator 2.3.1, the company already has a list of Direct and Indirect FFB suppliers for the acceptance period for the past year (2022/2023). Based on this, there are currently 13 indirect suppliers (middlemen or agents) who are still supplying FFB to Sei Intan POM. These suppliers include:

- PT Sugih Indah Sejati (Private Land) → Uncertified RSPO
- Mukhtar (Agent) → Uncertified RSPO
- Ruffina (Agent) → Uncertified RSPO
- Silvia Devi (Agent) → Uncertified RSPO

For the 13 indirect suppliers, the company has obtained information related to geolocation and evidence of land ownership from each farmer who supplies his FFB to these indirect suppliers. The following is an example of information that can be shown by the company, including:

- 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 (private land) and already has a Business ID Number (NIB) from the relevant agency No. 0288010092819.
- FFB Agent (Silvia Devi) with coordinates point N 00°81'17.6" / E 100°72'63.40" with land legality in the form of SKGR and has farmer (initial name is SKR) with Latitude coordinates 0792624 and Longitude coordinates 100.605628 with land legality in the form of SKGR.

Based on the explanation above, it can be concluded that currently all indirect suppliers who supply FFB to Sei Intan POM already have information regarding geolocation, land ownership status and other legal permits.

**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

There is a management plan with a timeframe, which is documented in the Sei Intan Estate/ POM Long Term Plan document for 2020 to 2024, which was approved by the Manager on March 3, 2020. This document, among other things, explains the area statement, non-plant investment, plant maintenance, non-plant maintenance, plant production, POM production, cost of production of plants and others. For example, for 2024, it is projected that 182,000 tons of FFB production will be received at mill, 40,950 tons of Oil Extractions (OER 22.5%) and 7,648 tons of palm kernel (KER 4.5%). In addition, the company also projects plasma FFB production for 2024 of 50,813 tons.

#### 3.1.2

There is an annual replanting program which is documented in the Sei Intan Long Term Estate/ Mill Long Term Plan for 2020 to 2024, which was approved by the Manager on March 3, 2020. Based on this document, it is known that replanting is projected for 179 ha in 2022 and 2023 with an area of 40 ha. The company showed the Work Implementation Agreement (Contract) document, number SPPBJ/N00E/2022/0649, dated July 12, 2022, related to the 2022 Sei Intan Estate Package I Plantation covering an area of 179 Ha PT Perkebunan Nusantara V Sei Intan Estate, with implementation time July 1 to. December 31, 2022, in collaboration with PT

Romorazunt. The company also shows the Work Physical Progress Inspection Report document, dated November 23, 2022, which among other things states that the work has been completed.

### 3.1.3

The unit of certification conducts a management review within the planned time in accordance with the scale and nature of the activities carried out, which is indicated in the document *Rapat Tinjauan Manajemen Sistem Manajemen Mutu, Lingkungan, K3, RSPO, SCCS, ISPO serta Sistem Jaminan Halal* (Management Review Meeting of Quality, Environmental, OHS, RSPO, SCCS, ISPO Management Systems and Halal Guarantee Systems), dated 16 May 2023. The agenda for discussion in the management review includes:

- Policy Evaluation
- Changes in internal and external issues
- Achievement of OHS, Quality and Environmental goals, targets and programs
- Internal audit results
- Legal compliance/ obligations
- Communication with interested parties including complaints
- Adequacy of resources
- Follow up on previous management reviews
- Non-conformity and corrective action
- Continuous improvement/ Improvement
- Etc.

Status: Comply

### 3.2

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

#### 3.2.1

Based on document review, field observation and interview with worker, it is known there is evidence of the implementation of an action plan for continuous improvement, taking into account the main social and environmental impacts and opportunities faced by the unit of certification, which are shown as follows:

#### BMP Aspect:

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.

#### Environment Aspect:

- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable fuels and the use of fertilizers and pesticides are in accordance with the recommendations to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP Management, testing the quality of the effluent and reporting it to the relevant agencies.
- Air quality management and monitoring through road maintenance, air quality testing and reporting to relevant agencies.
- Management and monitoring of groundwater through testing ground water quality and reporting it to the relevant agencies.
- Hazardous waste management through the Storage of Hazardous and Toxic Waste and Waste Management and Monitoring of Hazardous and Toxic Materials.
- 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.

#### Labour Aspect:

- Create a premium calculation application to simplify the calculation of employee premiums and reduce paper usage.
- The company also makes applications for approval of correspondence in speeding up the follow-up of letters received.

#### 3.2.2

The company already has an annual report document using the RSPO metric template format which was provided to the auditor team



at the time of the assessment. The summary in the report, for example, is as follows:

- Member Name: Sei Intan Palm Oil Mill
- License ID: CB141989
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000006147 (PT Perkebunan Nusantara III)
- Type of Business: Oil Mill
- Supply chain model: Mass Balance
- Number of Mill: 1
- Number of Certified Estate: 1

From the results of the auditor's verification of the contents of the matrix template, it is known that all data in general are in accordance with their respective periods, such as the total amount of FFB, CPO, PK and others.

Status: Comply

### 3.3

**Operating procedures are appropriately documented, consistently implemented and monitored.**

#### 3.3.1

The company shows the SOP for the certification unit. The SOP covered all process activity in the POM and estate from land preparation, nursery activity, palm oil maintenance since immature until mature such as manual weeding, fertilizer applications, spraying activity, harvesting, IPM, replanting activities, beneficial plant maintenance, FFB transportation, weighbridge activity, loading ramp activity, grading process, sterilizer pressure, kernel net plant, extractions analysis, palm product storage, until dispatch process, and so on. The SOP was in Bahasa and all workers able to read the SOP. The document has approved by top management. During field observation and interview with worker, it is known that the worker was understood about procedure, environment aspect and safety aspect. Therefore based on field verification at loading ramp, water treatment plan, and effluent pond in the Mill, they were understood about job description and responsible in accordance to the SOP.

#### 3.3.2

In order to ensure consistent implementation of the SOPs among all levels of the workforce in the field, the following mechanisms are utilized internal audit. The company has conduct internal audit on 9 - 12 May 2023 by internal auditors. Records of monitoring and any actions taken has maintained and available, as appropriate. Management review was conducted on 16 May 2023. Based on management review result all the target achieved excluding FFB target production. The documentation of internal audit are available, e.g.:

1. Internal Audit Report year 2022
2. Verification of Corrective Action and Continual Improvement
3. Corrective Action and Continual Improvement

The company has also conducted SOP training or socialization, records available in place. The record complete with meeting note, attendance list and photograph.

#### 3.3.3

Records of internal audit and corrective actions and improvement undertaken are available both on mill and estates, for example;

- Documents of "Laporan Audit Internal RSPO Versi 2018 INANI 2020 Unit PKS Sei Intan dan Supply base Kebun Sei Intan 2023". The documents are report on the nonconformity of the internal audit results. There are 5 (five) nonconformities during the internal audit. All of NC are closed during the RA.
- Report of management review meeting.

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, Pendalian 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, 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).

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

From the results of the auditor's verification, the Company has several documentary evidences as follows:

- Social Impact Assessment (SIA) document in the plantation area of SBU Sei Rokan PT Perkebunan Nusantara V (Persero) Rokan Hulu Regency, Riau Province.  
The document has informed the study villages, namely Kembang Damai Village and Kota Lama.  
The company also has a social management plan in 2023 which will be implemented in Kembang Damai Village and Bukit Intan Makmur Village.
- Document review on social management plan study in the Sei Rokan Group plantation area in 2022 West District PT. Perkebunan Nusantara V, Kampar Regency and Rokan Hulu Regency, Riau Province. The social management plan has been carried out in a participatory manner by holding meetings directly with external stakeholders and carrying out FGDs with internal stakeholders.
- The social management plan document for the 2023 period made on January 7, 2023. In the social management plan there are already managed impacts such as planning to stabilize the Sei Intan plantation area, following up on problems in the surrounding environment, planning maintenance and repair of the lake in around, planning programs and implementing CSR funding assistance and so on.

Based on the results of the document review, companies can improve their performance in social impact management, namely:

1. Carry out social impact management in accordance with the villages affected by the results of the SIA study, namely the Kota Lama.
2. Conduct stakeholder mapping with a wider scope, for example:
  - External stakeholders with attention to local communities, migrant communities, women, plasma representatives, religious leaders, contractors, local suppliers.
  - Internal stakeholders such as new workers, old workers, local workers, migrant workers, contractor workers.
3. Managing outstanding social issues, for example FFB theft, land disputes, restrictions on receiving FFB from suppliers, and so on. **OFI**

### 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 already has a social impact review document made in 2022 which involves external stakeholders which is carried out by holding direct meetings and for internal stakeholders it is carried out by conducting Focus Group Discussions. The villages that are the scope of management are Desa Kembang Damai and Desa Bukit Intan Makmur.

The following is an example of a follow-up plan from the results of the meeting that has been realized:

- Increasing the publication of recruitment of workers as employees, can be through announcement letters to each village, advertisements and public relations.
- Inform that recruitment is based on achievement, attendance rate, and obedience to the harvest and without discriminating against SARA elements.

- Disseminating SOPs for hiring employees at PTPN V to villages around the plantation.
- Determine the schedule of visits to Kembang Damai Village at least once a month and inform the schedule of visits to the village.

The company also has a social impact management plan for the 2023 period. The social management plan has been implemented by involving external stakeholders which is carried out by holding face-to-face meetings and for internal stakeholders it is carried out by conducting Focus Group Discussions. The villages that are the scope of management are Villages Kembang Damai and Bukit Intan Makmur Village.

From the results of the meeting, the following is a social management plan that will be implemented in 2023, including:

- Planning to stabilize the SIN plantation area.
- Follow up on problems in the environment.
- Plan maintenance and repair of lakes in the vicinity.
- Planning environmental maintenance and repairs related to the impact of flooding.
- Planning programs and implementing CSR funding assistance.
- Provide employment opportunities for local people.

**Status: Comply**

### 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 Labor 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 Labor 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 Labor 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:

- Recruitment of new employees, such as information on job vacancies as workshop workers, laboratory and processing analysts on April 11, 2023, whose graduation will be announced to each applicant who passes via SMS until appointment as a prospective employee, for example on behalf of HR for the installation mechanics section.
  - Position promotion, for example, a.n. AW (initials) as Quality Assurance Assistant on April 7 2023 which informed the promotion for 1 employee from IIB/9 to II C/O.
  - Retirement, for example a.n. K (initials) as kernel plant station operator on April 2, 2023.
- Termination, for example a.n. RDS (initials) as a maintenance worker on February 1, 2023.

**Status: Comply**

### 3.6

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

##### 3.6.1

There are records of risk assessment at estate and mill as documented as stated in document *"Daftar Bahaya Potensial Dan Penilaian Risiko Awal"*, no. doc. FOR/K3/06. The risk assessment was conducted regularly yearly. The last risk assessment was performed on the date January 10 2023. All risks and hazard has identified. To ensure that all risks that have been identified can be mitigated, the POM and Estate(s) have established an OSH program every year. This program is based on the results of monitoring the implementation of the previous program and has considered the number of work-place accidents in the field.

POM and Estate(s) have recorded the number of accidents nor incidents. These cases recorded on OHS Implementation Report by monthly and recapitulated by yearly.

Based on field observation at harvesting activity, Processing at the Mill and storage activity during the audit, in principle the workers are found and interviewed have understood risk of their working activities.

##### 3.6.2

The mill and estates have established OHS objectives and targets respectively, then OHS of each mill and estates program developed to ensure that defined objectives and target achieved. The program was created by OHS committee (P2K3). Generally, the OHS program in 2023 cover: Monthly Meeting of OHS, OHS Socialization, Training need analysis, Implementation of policy, commitment and OHS objectives, risk Identification and mitigation plan, Defined OHS working plan, General inspection, Identification of medical check-up of employee, Checking of emergency response equipment, OHS internal audit, OHS external audit, Evaluation of performance and management review of OHS, OHS reporting.

The health and safety plan is made publicly available as report of OHS program sent to the official government agency regularly. The OHS plan was reviewed and discussed regularly (monthly) and attended by the representative of worker, management and the OHS committee.

Status: Comply

### 3.7

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

##### 3.7.1 and 3.7.2

The company has a training program for 2022-2023 which consists of OHS training, system implementation training and outreach. Based on the documents it is known that the participants in the training included company workers, third party workers, plasma farmers, FFB suppliers, transporters and local communities.

Training programs that have been realized in 2022-2023, for example:

- Socialization of Collective Labor Agreement on 13 April 2022 which was attended by 16 participants.
- Hazardous and Toxic Material and Chemist Officer Training on 15 September 2022 which was attended by 15 participants.
- Socialization of RSPO and SCCS on 18 April 2023 which was attended by 18 contractor representatives.
- Socialization of RSPO and SCCS on 17 April 2023 which was attended by 15 FFB supplier representatives.
- Socialization of spraying technique in plasma on 17 May 2023 which was attended by 13 participants.

##### 3.7.3

Company provided an understanding of SCCS to weighbridge operators, sorting, sustainability, security, and laboratory on 14 April 2023. The materials discussed included the definition of RSPO SCCS, new standards for RSPO SCCS, principles for compliance with RSPO SCCS. Based on interviews with weighbridge operators and security, it is known that they understand the supply chain process.

Status: Comply

### 3.8

#### Supply Chain Requirements for Mills

##### 3.8.1 & 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

Estimates of CPO and PK produced by Sei Intan POM obtained from the projection based on actual data of 12 months before audit activities and has recorded in the last assessment report (ASA-3). Data information related to this matter is as follows:

Product	Last Year Projected Certified Volume (MT)	Actual Production (17 December 2022 – 30 April 2023) (MT)
FFB Processed	126,746	112,841.04
CPO Production	27,297	26,547.13
PK Production	5,534	4,697.06

Based on the table above, it is known that there is excess production of certified products, so the company submitted a volume extension for these products and was approved on 24 May 2023. The additional volume is as follows:

- FFB Certified product is 44,746 MT (so the total certified volume is 126,746 MT)
- CPO Certified product is 8,797 MT (so the total certified volume is 27,297 MT)
- PK Certified product is 1,834 MT (so the total certified volume is 5,534 MT)

### 3.8.4

The Sei Intan POM has registered as RSPO member under PT Perkebunan Nusantara III (No. 1-0030-06-000-00) 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: CB141989
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000006147 (PT Perkebunan Nusantara III)
- Type of Business: Oil Mill
- Supply chain model: Mass Balance
- License Issued by PT Mutuagung Lestari
- License Issued on 31 December 2022
- License Start Date on 17 December 2022
- License End Date on 16 June 2023

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

### 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. Internal audit of RSPO supply chain conducted simultaneously with P&C audit on 09 – 12 May 2023. All of supply chain standard and rules on market communication and claim has been assessed and have been complied.

Management Review of RSPO SCCS implementation conducted on 16 May 2023 simultaneously with RSPO P&C, ISPO, ISCC and ISO. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement.

### 3.8.7

Sei Intan POM has documents on the number of volumes originating from certified and non-certified FFB received in the last 12 months prior to the audit (May 2022 – April 2023), as follows:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
May-22	5,592.43	6,362.42	11,954.85
Jun-22	8,018.84	3,545.79	11,564.63
Jul-22	11,229.35	3,426.85	14,656.20
Aug-22	13,449.81	6,028.11	19,477.92
Sep-22	17,774.14	2,616.06	20,390.20
Oct-22	17,691.53	2,237.07	19,928.60
Nov-22	16,790.14	1,916.68	18,706.82
Dec-22	14,414.09	2,076.14	16,490.23
Jan-23	6,219.77	3,046.33	9,266.10
Feb-23	4,412.26	4,065.54	8,477.80
Mar-23	5,516.89	3,978.22	9,495.11
Apr-23	5,343.06	5,962.67	11,305.73
<b>Total</b>	<b>126,452.31</b>	<b>45,261.88</b>	<b>171,714.19</b>

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table:

Product	Last Year Projected Certified Volume ( MT)	Actual Production (17 December 2022 – 30 April 2023) (MT)
FFB Processed	126,746	112,841.04
CPO Production	27,297	26,547.13
PK Production	5,534	4,697.06

Based on the table above, it is known that there is excess production of certified products, so the company submitted a volume extension for these products and was approved on 24 May 2023. The additional volume is as follows:

- FFB Certified product is 44,746 MT (so the total certified volume is 126,746 MT).
- CPO Certified product is 8,797 MT (so the total certified volume is 27,297 MT).
- PK Certified product is 1,834 MT (so the total certified volume is 5,534 MT).

### 3.8.8

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since May 2022 – April 2023 it was known there are 3,588.85 MT CSPO and 3,922.75 MT CSPK sold as RSPO certification product.

Documents verification and interview the unit of certification can presented selling documents of certified products. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name, and address of the seller, in example of selling document for shipping announcement with transaction id TR-

9a45306e-d01b for CSPO model MB with the volume 500 MT on 06 January 2023 with the buyer are PT Intibenua Perkasatama, the unit can present several documents as follows:

- The name and address of the buyer (PT Intibenua Perkasatama)
- The name and address of the seller (PTPN V – Sei Intan POM)
- The loading or shipment / delivery date on 14 January 2023 as presented in the document minutes of loading CPO No. MS/SIN/0030/H/I/2023 with quantity delivery product are 27.85 MT
- Delivery Order Documents as well as unique number No: 000002222
- RSPO certificate number (MUTU-RSPO/133);

### 3.8.9, 3.8.10. & 3.8.11

Sei Intan POM doesn't outsource refining and crushing activity. The company uses third party contractors for CPO and PK transportation activities. For transportation of certified products, the company uses contracting services. Based on the contractor's list, there are 2 contractors CPO.

Based on document review and interview of management representative, the physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK. The site has recorded the names and contact details of contractor used for RSPO certified oil palm products transport, such as:

- PT Palma Abadi Trasindo (CPO Transporters)
- PT Sipakko Jaya Abadi (PK Transporters)

Since last assessment it was known there is no new contractors and all Certified product transportation under responsibility from buyers. The contractors and certified holder also have an agreement related to transparency of contractor operational mechanism, so the certification bodies can audit the contractors.

### 3.8.12

Based on documents verifications and interviews with management it was known if all FFB processed are sourced from RSPO certified and non-certified. Documentation for the Sustainable Crude Palm Oil (Sustainable CPO)/Palm Kernel (PK) consists of daily record of the FFB acceptance, the daily record of CPO/PK production, which is classified as the CSPO/CSPK, sale record, stock record that has been reconciled with the FFB acceptance, monthly production, and sale and annual recapitulation. 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 (May 2022 – 30 April 2023):

#### CSPO Production

Month	CPO (ton)		Total
	Certified	Non-Certified	
Opening Stock	460.20	-	460.20
May 2022 – April 2023	29,589.88	8,703.88	38,293.76

#### CSPO Sales

Month	CSPO Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
May 2022 – April 2023	2,758.92	6,260.00	29,142.56	38,161.48

#### CSPK Production

Month	PK (ton)		Total
	Certified	Non-Certified	
Opening Stock	89.11	-	89.11
May 2022 – April 2023	5,160.15	1,960.53	7,120.68



**CSPK Sales**

Month	CSPK Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
May 2022 – April 2023	3,922	-	3,181.76	7,104.51

**Non-Conformity No. 2023.02**
**Data Accuracy**

Based on the results of a review of the Actual Production documents listed in the Basic Info PTPN V – Sei Intan POM with Mass Balance Data for the period May 2022 to April 2023, there are several things that are inaccurate, namely:

Product	Actual Production	Mass Balance	Difference
FFB Certified (MT)	126,300.37	126,300.37	-
FFB Uncertified (MT)	45,261.09	45,261.09	-
CPO Certified (MT)	29,501.22	29,589.88	88.66
CPO Uncertified (MT)	8,667.72	8,703.88	36.16
PK Certified (MT)	5,144.96	5,160.15	15.19
PK Uncertified (MT)	1,952.91	1,960.53	7.62

Based on the table above, there are several products such as CPO Certified, CPO Uncertified, PK Certified and PK Uncertified data that have differences in their calculations and are inaccurate.

**Negative Stock**

Based on the results of a review of Mass Balance documents for the period May 2022 to April 2023, it is known that there are PK Certified stocks that are experiencing a negative (minus) condition because these products were sold as non-certified in the previous few months and in that month, there were also sales of certified products that exceeded the actual stock available. The following is the data submitted:

- In November 2022 there was final stock for CSPK of 11.70 MT and in December 2022 there was CSPK production of 618.99 MT, of which CSPK was then sold for 788.29 MT so that the final total CSPK stock was -157.60 MT.
- In December 2022 there was final stock for CSPK of -157.60 MT and in January 2023 there was CSPK production of 265.41 MT, which was then sold for 638.28 MT of CSPK so that the final total CSPK stock was -530.47 MT.
- In January 2023 there was final stock for CSPK of -530.47 MT and in February 2023 there was CSPK production of 237.73 MT which was then sold for 281.81 MT of CSPK so that the final total CSPK stock was -574.55 MT.

In accordance with the explanation above, the company during the 3-month period (December 2022 to February 2023) experienced negative stock for CSPK, but was still carrying out CSPK sales activities. Where the condition is that the mill can only send MB sales from positive stock. Positive stock may include products ordered to be delivered within 3 (three) months.

Based on the explanation and facts found above, the company cannot ensure that the record keeping carried out has guaranteed the accuracy/completeness/update of data related to SCCS has been properly documented and sales of certificate products with the MB Module are in positive stock for 3 months (there is negative stock for 3 months).

**3.8.13 & 3.8.14**

Based on document verifications and interview with management it was known if there is no conversion rate of production of CPO (OER) and PK (KER) that applied by the mill. The production of CPO (OER) and PK (KER) are based on actual daily, monthly, and yearly production. The extraction rate follows the actual data for a 12-month period for May 2022 until April 2023 is OER 22.42% and KER 4.17%.

**3.8.15**

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.

**3.8.16**
**Non-Conformity No. 2023.03**
**Removing Stock**

Based on the results of a review of the Mass Balance document for Sei Intan POM in the licensing period 17 December 2022 to 16 June 2023, it is known that there are sales of non-Certified products that use RSPO certified product stock with the following details:

- Certified CPO products totaling 10,921.07 MT (certified products sold as non-certified).
- PK Certified products totaling 1,075.77 MT (certified products sold as non-certified).

Based on the results of a review of Removing Stock documents on Palm Trace, it is known that the company has carried out Removing Stock for CSPO of 244.98 MT and carried out Credit Allocation of 17,366 MT. However, for CSPK products sold as non-certified, no Stock Removal or Credit Allocation is carried out.

**Shipping Announcement**

Based on the results of the study of the Shipping Announcement document, it is known that there are Shipping Announcements that have exceeded the 3-month period since delivery was made, namely in the Shipping Announcement document for CSPK with Transaction No. TR-6d74c8e0-87d2 and No. TR-01093ac3-6a61 The following is an example of the details, namely:

- Shipping Announcement with Transaction No. TR-6d74c8e0-87d2.
- CSPK products from PTPN V – Sei Intan POM amounted to 167.96 MT.
- The buyer is PTPN V – Tandun Palm Kernel Oil (One ownership entity, namely PTPN V).
- Freight Information for Delivery (Bill of Lading) on December 17, 2022.
- The first CSPK delivery will be on September 22 2022 and the last CSPK delivery will be on September 30 2022 (more than 3 months since the first and last delivery with the publication of the Shipping Announcement).
- Shipping Announcement was made on March 21, 2023 and was confirmed by the buyer on March 28, 2023.

Based on the explanation above, it is known that the Shipping Announcement made by Sei Intan POM has exceeded the 3-month period after delivery (September 2022 to March 2023 or more than 3 months).

Based on the evidence mentioned above, Mill has not fully implemented the transaction registration provisions in accordance with applicable regulations, starting from making a Shipping Announcement which must not be more than 3 months after delivery and removing all stock of RSPO certified products which are sold through other schemes or conventional means.

**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.

<b>3.8.12</b>	<b>Status: Non-Conformity No. 2023.02 with Major category</b>	
<b>3.8.16</b>	<b>Status: Non-Conformity No. 2023.03 with Major category</b>	

**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 14 April 2023. Based on interviews with surrounding communities, 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 surrounding communities' representatives (Bukit Intan Makmur, Kota Lama & Rimba Jaya), 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 2022-2023, there have been no complaints submitted by external and internal 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 2022 - 2023 which was made based on the results of consultations with surrounding communities. The CSR programs owned by the company include:

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

Companies can show records of CSR program implementation for 2022 and 2023, for example as follows:

- Assistance for the honorary teacher salary.
- Assistance for the incoming proposal from surrounding communities.
- Assistance for fish seeds and goats in Air Panas Village.
- Scholarship assistance with achievement in Rokan Hulu Regency.

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 surrounding communities (Bukit Intan Makmur, Kota Lama & Rimba Jaya 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 & 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 surrounding communities (Bukit Intan Makmur, Kota Lama & Rimba Jaya 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

### 4.5

**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).		
	<b>Status: Comply</b>	
<b>4.6</b> <b>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
<b>4.6.1, 4.6.2, 4.6.3 &amp; 4.6.4</b> 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 surrounding communities (Bukit Intan Makmur, Kota Lama & Rimba Jaya 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>	
<b>4.7</b> <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b>		
<b>4.7.1</b> 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.  <b>4.7.2 &amp; 4.7.3</b> 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 surrounding communities (Bukit Intan Makmur, Kota Lama & Rimba Jaya Village) known that certification unit routinely provide CSR and there are people living around the company who work as employees in the certification unit.		
	<b>Status: Comply</b>	
<b>4.8</b> <b>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.</b>		
<b>4.8.1, 4.8.2, 4.8.3 &amp; 4.8.4</b> 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.

### Update on ASA-4

On 04 October 2022, there was a conducive demonstration at PTPN V - Sei Intan regarding previous demands from Banja Ladang and mediation was carried out again by the company with the results being:

- Upika Kunto Darussalam, the Head of Kota Lama Village who is part of the land search team as well as the Head of Operations for the Rokan Hulu Police and the Kunto Darussalam Police asked for a follow-up meeting to be held at the PTPN V Pekanbaru Head Office on Thursday 06 October 2022 at 08.00 WIB.
- Transportation and accommodation costs to Pekanbaru are borne by PTPN V.



- The meeting on 6 October 2022 should be attended by Upika Kunto Darussalam, Manager of Sei Intan Estate, Management of the Banja Ladang Cooperative, Representatives of the Police.
- In order to maintain the Kamtibmas situation ahead of the follow-up meeting at the PTPN V Directors' Office, a temporary suspension of planting on problematic land was carried out.

On 09 May 2023, another meeting was held between Banja Ladang and the company and discussed:

- That if the 320 ha area claimed by the community is outside the HGU based on the answer from the Riau Province ATR/BPN regional office. The community still wants KKPA in this area.
- That if the 320 ha area claimed by the community is within the HGU based on the answer from the Riau Province ATR/BPN regional office. The community received replacement land covering an area of 95.3 ha located in Muara Dilam Village without being charged any debt.
- That PTPN V will report the results of today's meeting to the leadership/directors of PTPN V for an answer to be given no later than the next meeting on May 23 2023 in the Hall, Floor III of the Rokan Hulu Regent's Office.
- That each party agrees to maintain security and order at the land location until the next meeting is held.

On 23 May 2023, there was another meeting between Banja Ladang and the company at the Rokan Hulu Regent's office to discuss the problems that had occurred previously and the results were:

- Whereas regarding the Balaspas Cooperative's proposal regarding a solution to the problem of 95.3 ha in Muara Dilam without being charged debts, PTPN V has not been able to fulfill the community's request, but PTPN V is willing to use the land as a solution provided that it will first carry out a feasibility study on the land the.
- That the Balaspas Cooperative proposed to PTPN V to explain that the land claimed by the community as a former plantation covering an area of 320 ha was within the HGU of PTPN V Kebun Sei Intan at the next meeting.
- The Balaspas Cooperative proposes that the 95.3 ha area of land used as a replacement located in Muara Dilam Village will not be charged any debt for the replacement land, plant growth and maintenance patterns will be discussed further with PTPN V.
- That PTPN V will report the results of today's meeting to the leadership/directors of PTPN V for a direct answer from the directors of PTPN V at the next meeting on Thursday 08 June 2023 at the Office of the Directors of PTPN V Pekanbaru.
- That each party agrees to maintain security and order at the claimed land location until the next meeting is held.

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 surrounding communities (Bukit Intan Makmur, Kota Lama & Rimba Jaya 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

Determination of the price of FFB to the Plasma Cooperative follows the price determination of the FFB for Oil Palm from the Riau Province FFB Pricing Team, for example the Minutes of the Minutes of Purchase Price Determination Meeting for Palm Oil FFB Production in Riau Province April 19 - May 2, 2023. As an example for the FFB price with a 5 year old plant of IDR 2,322.59 and a 25 year old plant of IDR 2,356.60.

Based on the results of interviews with KUD Gemah Ripah cooperative representatives, it is known that the price of FFB set by the company is based on the price from the Riau Provincial Plantation Office. Information regarding the price of FFB will be conveyed by the company via WhatsApp message.

In addition, based on interviews with Anton's suppliers, it is known that the FFB price is determined by the company and so far there have been no complaints regarding the price of FFB.

**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 has been set in the contract with the FFB supplier. any change in the FFB price will be informed to the FFB supplier via WhatsApp message.

In addition, based on interviews with Anton's suppliers, it is known that the FFB price is determined by the company and so far there have been no complaints regarding the price of FFB.

**5.1.3**

The FFB price has been set in the contract with the FFB supplier. any changes in the price of FFB will be informed to the FFB supplier via wa message. The cooperation contract does not include a premium value agreement and interviews with company representatives indicate that currently there is no premium value agreement with FFB suppliers.

In addition, based on interviews with Anton's suppliers, it is known that the FFB price is determined by the company and so far there have been no complaints regarding the price of FFB.

**5.1.4**

Based on the results of interviews with the chairman of the KUD Gemah Ripah cooperative, it is known that the cooperative has understood the contract/MoU with the company and there is no coercion from the company. So far, the cooperation with the company has been going well and the Cooperative has the authority to make decisions.

**5.1.5**

The company already has an agreement document with the Gemah Ripah cooperative which is contained in the Partnership Cooperation Agreement document between the Gemah Ripah Village Unit Cooperative Number KUD-RM/S.PERJ/X/2019 and PT Perkebunan Nusantara V number KHKP/SPERJ/X/2019 concerning Rejuvenation and Management of Oil Palm Plantations with a Partnership Pattern through the BPDP-KS grant funding program and PT Bank Riau Kepri Tbk Investment Credit Funding in Rimba Jaya Village, Tapung Hulu District, Kampar Regency - Riau Province.

In the cooperation agreement document, it has also been explained that the term of the agreement starts from the date of signing by the parties and ends up to 1 plant life cycle (approximately 30 years).

The cooperation agreement document has also been signed and known by KUD Gemah Ripah cooperative, PT Perkebunan Nusantara V and known by KADIS Plantation, Livestock and Animal Health of Kampar Regency.

**5.1.6**

Companies can show documentation of recap of FFB payments to cooperative units made on January 4, 2023 to April 4, 2023. The proof of payment includes the units being managed, namely

- KUD Dayo Mukti
- KUDTani Prosperous
- KUDKarya Mukti
- KUDMakarti Jaya (PSR)
- Cooperative Producer of Subur Makmur Lestari
- Gemah Ripah Producers Cooperative

Based on the results of interviews with KUD Gemah Ripah representatives, it is known that so far there have been no complaints regarding the price or payment of FFB made by the Company. Cooperation between cooperatives with the company is going quite well.

**5.1.7**

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

- Certificate number 510.3/Perindag-Metro/02.05.305.1/XI/2022 for weighbridge brand/type GSC-9700, 1108366 with a capacity of 60,000 kg which was implemented 29 November 2022 was re-calibrated 25 November 2023.



- Certificate number 510.3/Peindag-Metro/02.05.305.1/XI/2022 for weighbridge brand/type GSC, GST-9700,1108251 with a capacity of 50,000 kg which was carried out on 29 November 2022 and re-calibrated on 25 November 2023.

**5.1.8**

Based on the results of interviews with company representatives, it is known that currently the company has collaborated with farmer cooperatives in terms of rejuvenation, namely the Gemah Ripah Cooperative. Replanting activities have 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 auditor team has also conducted interviews with representatives of the Gemah Ripah cooperative and it is known that the company has carried out socialization of the RSPO to the cooperative.

**5.1.9**

The company already has an agreement document with the Gemah Ripah cooperative which is contained in the Partnership Cooperation Agreement document between the Gemah Ripah Village Unit Cooperative Number KUD-RM/S.PERJ/X/2019 and PT Perkebunan Nusantara V number KHKP/SPERJ/X/2019 concerning Rejuvenation and Management of Oil Palm Plantations with a Partnership Pattern through the BPDP-KS grant funding program and PT Bank Riau Kepri Tbk Investment Credit Funding in Rimba Jaya Village, Tapung Hulu District, Kampar Regency - Riau Province.

Apart from the complaint procedure owned by the company, the mechanism for handling complaints to farmers is also contained in article 27 in the cooperation agreement document, namely regarding dispute resolution, the parties will first resolve the dispute by means of deliberation to reach a consensus.

If the settlement by deliberation does not reach a consensus, the parties agree to settle it through the Kampar district court.

The results of interviews with farmers also obtained information that there were no complaints submitted to the company.

<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**

The results of interviews with the Gemah Ripah Cooperative revealed that currently the cooperative has been cooperating with the company in terms of replanting activities. In addition, the company has also carried out socialization regarding the RSPO to cooperatives with the aim of improving living standards, including improving the management of plantations of cooperative members.

**5.2.2**

Companies can show evidence of support for farmers. The company also has a training plan to be held in 2023 by the Plasma Management unit.

The following is an example of a training implementation plan:

- Planned RSPO PNC 2018 introduction training in April, May, and June 2023.
- Training on the use of hazardous pesticides and chemicals planned for July, August, and September 2023.
- Pest control training planned for March 2023 and April 2023.

Companies can also show examples of the realization of training implementation for the 2022 period, namely the socialization of sustainability policies which will be held in December 2022 which consists of sustainability policies and procedures for complaints and requests for information.

**5.2.3**

The company can show evidence of support for farmers carried out at KUD Subur Makmur that there are 227 farmers who already have SHM in stage I.

In addition, companies can also show evidence of support for farmers. The company also has a training plan to be held in 2023 by the Plasma Management unit.

The following is an example of a training implementation plan:

- Planned RSPO PNC 2018 introduction training in April, May, and June 2023.
- Training on the use of hazardous pesticides and chemicals planned for July, August, and September 2023.
- Pest control training planned for March 2023 and April 2023.

#### 5.2.4

The company has provided training related to handling pesticides to plasma farmers and the responsible party, namely Plasma Management by showing training records, for example:

- The chemical outreach to KUD Dayo Mukti farmers which was held on 17 May 2022 in Block 23C was attended by 13 people.
- Socialization of pest control in for Sei tapung Plasma unit which was held on Thursday 13 January 2022 attended by 29 people.

Based on the results of interviews with KUD Gemah Ripah, the company has provided training and outreach to cooperatives and has been understood.

#### 5.2.4

The company has reported the development of the plasma smallholder program in the plantation business progress report made on January 14, 2023 and reported on January 17, 2023 to the Rokan Hulu Regency Plantation Office.

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 result of 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 management, it is known that there is no discrimination in the operational area of Sei Intan Unit.

##### 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:

- Recruitment of new employees, such as information on job vacancies as workshop workers, laboratory and processing analysts on April 11, 2023, whose graduation will be announced to each applicant who passes via SMS until appointment as a prospective employee, for example on behalf of HR for the installation mechanics section.
- Position promotion, for example, a.n. AW (initials) as Quality Assurance Assistant on April 7 2023 which informed the promotion for 1 employee from IIB/9 to II C/0.

##### 6.1.4

Result of interview with representative of 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 document of Decree No. 02/U.SIN/Skep/I/2023 dated January 3, 2023 regarding Determination of Gender Committee Team which informs the determination of names of employees in 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 gender committee also regularly holds internal meetings, the last of which was held on May 6, 2023 with 14 participants discussing issues and evaluation of the 2022 program for further improvement in 2023.

The gender committee management also has an annual work program, where 7 of 8 work annual programs in 2023 have been implemented. The annual work programs that have been implemented are as follows:

- Coordination meeting
- Conducting outreach/education to young mothers
- Conducting counseling for young mothers

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.

Payment of salary has been verified to upkeep worker as sample for male with and female worker in Sei Intan POM and Estate for period April 2023, for example to employee with employee number 5008583/06981069004839 and No. 5008596/01981067004817 for female and male upkeep worker, respectively. Both were employee in Level 1B/10. In general, basic salary was more than the applicable regulation in 2022 (Decree of Riau Governor No. Kpts.1229/XI/2021 dated November 19, 2021, which was about IDR 2,938,564.01/month). Different amount of salary obtained is only affected by number of attendances, work performance, premium and debt, without taking gender into account.

Based on result of document verification and interview with management representatives, the company will make salary readjustments referring to the minimum wage stipulated by Governor of Riau in Decree No. Kpts. 1723/X1/2022 dated 25 November 2022 which stipulates Riau Province minimum wage of Rp. 3,191,662.53 starting January 1, 2023. This will be a salary back pay (*rapeh*) by combining employee salaries since January 2023 to be paid in July 2023. This has been implemented by the company in the previous period, namely 2022. This is shown based on document Memo No. G-5.SDM/AA/M/75/III/2022 dated March 10, 2022 regarding corrections to salary adjustments for 2022 where there are corrections to salary adjustments according to the minimum wage for Riau Province for January-February 2022 period. The implementation is shown in the calculation of salary report corrections Employees for January-February 2022, for example employees a.n. WS (initials) as a warehouse clerk there is a salary difference of Rp. 204,206 which was paid in March 2022.

**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/II/2022 dated February 17, 2022 concerning 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 within the scope of PTPN V, which is IDR 3,114,238.
- In point 5, namely determining the salary structure for group IA – IVD which is arranged based on years of service.

The company also shows employee pay slips for the April 2022 period, for examples:

- With the initials J class IIB/06 get a basic salary of IDR 3,642,488; palm oil premium IDR 2,770,821; social benefits IDR 1,204,871; IDR 1,636,951 discount; with a net salary of IDR 7,597,097.
- With the initials N, group ID/06, they receive a basic salary of IDR 3,818,901; harvest premium IDR 2,914,228; social benefits IDR 864,154; IDR 1,204,163 discount; with a net salary of IDR 7,546,678.

Based on result of document verification and interview with management representatives, the company will make salary readjustments referring to the minimum wage stipulated by Governor of Riau in Decree No. Kpts. 1723/X1/2022 dated 25 November 2022 which stipulates Riau Province minimum wage of Rp. 3,191,662.53 starting January 1, 2023. This will be a salary back pay (*rapeh*) by combining employee salaries since January 2023 to be paid in July 2023. This has been implemented by the company in the previous period, namely 2022. This is shown based on document Memo No. G-5.SDM/AA/M/75/III/2022 dated March 10, 2022 regarding

corrections to salary adjustments for 2022 where there are corrections to salary adjustments according to the minimum wage for Riau Province for January-February 2022 period. The implementation is shown in the calculation of salary report corrections Employees for January-February 2022, for example employees a.n. WS (initials) as a warehouse clerk there is a salary difference of Rp. 204,206 which was paid in March 2022.

### 6.2.2.

Decree of Riau Governor No. Ktps.1229/XI/2021 dated 19 November 2021 about minimum wages of Riau has responded through Managing Director of PTPN V issued Decree No. No.5/SDM/SK/23/II/2022 about employee wage structure of PTPN V period 2022, which inform that minimum wage was about IDR 3.160.937/month included rice-in-kind (*Natura*) for about 15 kg or IDR 149,250. - . The Decree has implemented since 01 January 2022. These figures used by the unit of certification for salary payment, includes for overtime calculation. Different amount of salary obtained is only affected by number of attendances, year of service in company, work performance and debt.

As verified to contract of employee's documents, for example No. G-5.SDM/SPER/3136/XII/2022 dated 31 December 2022, it was known that Article 4 has mentioned about employees' rights such as salary as refers to minimum wages regulation, leave, BPJS *Ketenagakerjaan* and BPJS *Kesehatan* and bonus. Furthermore, Article 5 mentioned about premium or overtime calculation. Moreover, Article 8 mentioned about work termination. Employees rights such as salary matters, included overtime, working hour, leave, termination, etc. has also mentioned on the collective work agreement from Chapter IV to IX. Those points mentioned in the Article of work contract has in accordance with manpower regulation in Indonesia. Based on the results of interviews with workers in estates and mill, it is known that workers understand the rights and obligations as stipulated in the Collective Labor Agreement.

### 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 AG on May 05, 2023, which applies for leave of 1 day.

### 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. 3,444,772.

### 6.2.7

The company shows again the harvest employee fulfillment program document from 2022-2025 as a corrective action on non-conformance of indicator 6.2.7 in the ASA-4 assessment. Based on the document, the number of employees who will be gradually appointed as permanent employees will be 19 people in 2023, 15 people in 2024 and 23 people in 2025 for a total of 57 people.

Based on document verification on ASA-4, several things were found, including the following:

- Based on the employee list document for Sei Intan Estate for April 2023 period, it was informed that there were 75 temporary work agreement for harvesters. There was an increase in the number of temporary work agreement for harvesters from 2022 to 2023 as many as 18 workers. For example, temporary work agreement for harvester with contract No. G-5.SDM/SPER/3136/XII/2022 for period of January 1-December 31, 2023.
- Based on Memo No. G-5.SDM/AB/M/68/V/2023 dated May 19, 2023 from Head of HR Department, it was informed that 12 temporary work agreement for harvesters for Sei Intan Estate would be appointed as KNG (non-group worker). Thus, based on the list of employees at Sei Intan Estate for the period May 2023, temporary work agreement for harvesters for May 2023 harvest was 62 people.
- Based on document of Harvester Requirement of Sei Intan Estate 2023, it is stated that the need for harvesters is 121 workers with the number of harvesters at the time of application as many as 121 people (own worker: 10 workers, KNG (non-group worker): 48 workers and temporary worker: 62 workers) so there is still a shortage of 1 worker. The company currently has not been able to meet the target needs for harvesters in accordance with the Harvester Requirement of Sei Intan Estate 2023, but company in this need include temporary workers (harvesting work is permanent work so temporary workers cannot do it).
- Based on the labor registration documents to Riau Province Manpower and Transmigration Agency, it was informed that there were 7 harvest temporary workers who were employed starting March 10, 2023.

Based on the applicable regulations related to the type of work that can be employed for temporary workers, as explained in the following regulations:

- 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/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.

Thus, the company has not been able to show consistency in accordance with the corrective actions given for nonconformity in the ASA-3 assessment related to workers with temporary workers status in accordance with applicable regulations (Law No. 13 of 2003 and Government Regulation No. 35 of 2021) especially related to types of work that can be employed for temporary workers. This becomes the nonconformity No. 2023.4 with the status of Minor raised to Major.

<b>6.2.7</b>	<b>Status: Non-Conformity No. 2022.04 with Minor raised to Major category.</b>
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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.

Unit of certification policy towards recognising freedom of association right to collective bargaining is presented in document of "Kebijakan Minyak Sawit Lestari PT Perkebunan Nusantara V" or Sustainability Palm Oil Policy of PT Perkebunan Nusantara V Point 17 dated 01 March 2020, issued by Managing Director, Operational Director and Commercial Director. This matter has approved through the existence of "Serikat Pekerja Perkebunan" (SP-Bun) or Plantation Labour Union of Sei Intan POM/Estate of PTPN V. organization structure for period 2022-2027 was available. The Labour Union has registered to the Cooperative, Transmigration and Manpower Agency of Rokan Hulu District through Letter No. 13/560/TK/2002 (12 November 2002) dated 10 October 2017. As per May 2023, it was known that there were 263 Labour Union member in PTPN V Sei Intan POM and Estate.

#### 6.3.2

The company already has minutes of union meetings, for example a meeting on May 23, 2023 between trade union and related members regarding the discussion of the plan to procure rice supply for employees and the proposal for an increase in honorarium which was attended by 26 participants.

#### 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.



<p>The trade 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.</p>		
	<b>Status: Comply</b>	
<b>6.4</b> <b>Children are not employed or exploited.</b>		
<b>6.4.1.</b> <p>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.</p> <p>Based on the employee list as of April 2023, 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 2023, for example PT Mujur Karya Sentosa and PT Jaya Wira Manggala, it is known that there are no workers under the age of 18.</p> <p>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.</p>		
<b>6.4.2</b> <p>Based on the list of employees of PTPN V – Sei Intan for April 2023, 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.</p>		
<b>6.4.3.</b> <p>Based on the document review, it is known that there are students who practice field work, for example with the initials HFR, RYY dan ARL from Polytechnic of Kampar who practice from May 02-July 21, 2023. 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.</p>		
<b>6.4.4.</b> <p>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.</p>		
	<b>Status: Comply</b>	
<b>6.5</b> <b>There is no harassment or abuse in the workplace, and reproductive rights are protected.</b>		
<b>6.5.1</b> <p>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.</p> <p>The company also has a gender committee organization which is indicated in Decree No. 02/U.SIN/Skep/II/2023 dated January 3, 2023 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 2022-2023, there were no reports related to sexual harassment and violence and other forms.</p>		
<b>6.5.2</b> <p>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.</p> <p>This has also been mentioned in Collective Labor Agreement Chapter VI Articles 26, 27 and 28 regarding working hours, menstrual</p>		



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 May 06, 2023 which was attended by 14 participants.

### 6.5.3

The company has made a program for the needs of young mothers/new mothers for the period of 2023 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 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

The organization has defined OHS Committee in accordance with national regulation i.e: Regulation of Ministry of Manpower No. PER.04/MEN/1987. All estates and mill already have a valid *P2K3*, who have responsible for implement OHS within the organization. The *P2K3* has approved by local government agency, i.e. OHS Committee decree letter from Manpower of Riau Province with number KEP.12/Disnakertrans-PK/SK-P2K3/II/2023 dated 13 January 2023 for Sei Intan Estate. OHS Expert License: 5/7107/AS.01.03/VI/2022 on behalf Erwin Riyen dated 23 June 2022.

The OHS committee has meeting for 1 month to discuss how to improve the OHS implementation in the operational estates and mill. For example, the last meeting conducted on 11 November 2022 at Sei Intan Estate.

### 6.7.2

The company has established a prosedur for accident and emergencies as documented on emergency response procedures (SOP/MR/7/03 dated August 1, 2018) and work accidents (SOP/K3/15 dated October 1, 2019). The procedure was cover 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. The procedure has written in Bahasa, so easy to understand by personnel at all levels within the organization. The accident records reported to local authority simultaneously with montly report of *P2K3*.

There is evidence that the organization has a person who trained as first aid officer, e.g Meiria Ulfa (No. Certificate

5/1134/A.01.04/IV/2022 dated April 06, 2022.

Based on field observation to the fields and activities such as harvesting, spraying, office, stores of chemical, hazardous waste, etc, evidenced that first aid equipment available at work sites.

### 6.7.3

Based on the results of field observations at Sei Intan Estate, workers were found to be using inappropriate Personal Protective Equipment (PPE), for example:

- 3 harvesters interviewed in block J2 Afdeling 3 wear boots.
- 2 chemical warehouse officers at the central warehouse wear medical masks.
- 3 pesticide applicators interviewed in block H6 Afdeling 2 wear boots.

Based on the results of field observations at the Sei Intan POM, workers were found to be using inappropriate Personal Protective Equipment (PPE), for example:

- 3 sorting officers, 2 hoisting crane operators, 2 loading ramp operators, 1 clarification station operator and 1 boiler operator wearing boots.
- 1 clarification station operator and 2 kernel station operators did not use ear plugs.

The company shows the Personal Protective Equipment (PPE) Procedure, document number SOP/MR/3.10, revision number 00, effective date 3 January 2023. This procedure explains that the use of Personal Protective Equipment (PPE) must be adjusted to the type of work, the risks that may arise due to work and work location, in accordance with the PPE needs and standard Matrix (DP/MR/7.02) and therefore at each work location and type of work there will be different types of Personal Protective Equipment (PPE) that must be wear, in certain places it is not mandatory use Personal Protective Equipment (PPE) such as in offices, meeting rooms, canteens, places of worship.

The company shows the PPE Needs and Standards Matrix, document number DP/MR/7.02, revision number 00, updated on 18 October 2022. This document explains:

- Types of SNI standard safety shoe PPE for harvesting, chemical, fertilizer, EWS, sorting, POM processing, manual maintenance, heavy equipment and dump truck operators as well as FFB loading and unloading personnel and warehouse material management and given to foremen, employees, warehouse workers, heavy equipment and dump truck operators.
- Types of SNI standard respirator mask PPE for types of work that interact with dangerous and toxic materials and are given to chemist officers, chemist foremen, chemist warehouse clerks.
- OSHA/ANSI S3 standard ear plug PPE type. 19 EN 352 for types of work that interact with low noise and are given to officers at POM clarification stations, Kernel stations and press stations.

Based on the explanation above, the company has not been able to show sufficient evidence that workers use Personal Protective Equipment (PPE) in accordance with the established Procedures and Requirements Matrix and PPE Standards. This became **Nonconformity No.2023.05**.

### 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 *Ketenagakerjaan* payments, for example, BPJS *Ketenagakerjaan* for the April 2023 period is paid on 12 May 2023 and BPJS *Kesehatan* for the March 2023 period is paid on 13 April 2023.

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 – Mar 2023, it is known that there were 0 work accidents, with 0 working days lost.

6.7.3	Status: Non-Conformity No. 2023.05 with Major category
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PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT	
<b>7.1</b> <b>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</b>	
<b>7.1.1</b> <p>The company has documented and implemented an IPM system includes setting out of technique to be implemented, chemical to be used, locations to be applied, and time frame for implementation. Program for IPM is established annually. IPM program includes pest and diseases detection, census and controlling, use of pesticide and herbicide.</p> <p>The organization has established documented procedure regarding pest management, included Work Instructions for Controlling Pests and Diseases of Oil Palm Plants, document number IK-TNM-045, No, Revision 00, dated January 1 2020. These procedures include explaining materials and tools, personal protective equipment, work details for controlling fire-worm pests, horn beetle pests, rat pests, termite pests, disease control and others. Apart from that, it is also explained related method of palm sampling, and timing/rotation. Intensive checking is by increasing 4-5% of sampled palms. If minimum of 8 caterpillars per frond are found, then action is needed. The chemical spraying will only be conducted to young caterpillar, while caterpillar which transformed into cocoon will be hand-picked.</p> <p>There are other guidance of plant and diseases, in example:</p> <ul style="list-style-type: none"> <li>• Circular on Guidelines for Sampling Techniques, Determining Attack Levels and Controlling Palm Oil Pests, number DPP/SE/03/2021, dated 25 January 2021.</li> <li>• Identification of Potential Pests and Diseases and Plans to Control Them Sei Intan Estate, 21 January 2023.</li> </ul> <p>Generally, the procedures said that control of pest performed by using biologically, mechanically, and chemically by taken account and consider minimal effect to environmental. The procedures also include identification of potential pests and threshold, technique/methods (biological, mechanical/physical, and chemical). There is no evidence that the organization has been used pesticides for prevent pests infestations.</p> <p>Records of pest occurrence and control are available and maintained. Based on the records, attack has come from <i>Ulat Daun</i> (caterpillar leaf) only. Record of control of Caterpillar also available and recorded that the control was implemented by hand picking, high-pressure sprayer, and trunk injection.</p>	
<b>7.1.2</b> <p>Based on field observations, almost along the main road and collection road have been planted with <i>Turnera ulmivolia</i>, <i>Turnera subulata</i>, and in the corner of the block <i>Antigonon leptopus</i> has been planted. <i>Turnera ulmivolia</i> 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 <i>Turnera ulmivolia</i> has been well maintained and controlled.</p>	
<b>7.1.3</b> <p>There is no use of fire for pest management purposes. Estate management prefer to control pest population by biological method instead of chemicals. This matter verified through field observation which shows that there were no indication of fire activities in estate operational areas.</p>	
<b>Status: Comply</b>	
<b>7.2</b> <b>Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</b>	
<b>7.2.1</b> <p>The unit of certification has been defined all of pesticides application in the procedure. The SOP describe active ingredient, method, dosage to control of specific pest and weed. All of pesticide are used by company registered and permitted by the Pesticide Commission. The company has recorded of pesticide used consistently. The record of pesticide explain specific to target (pests, weeds, or diseases), dosage recommendation, active ingredient, areas implemented.</p> <p>To implement of SOP, the organization also has programme for planting beneficial plants (<i>Turnera subulata</i>, <i>Casia cobanensis</i> and <i>Antigonon leptopus</i>). These beneficial plants seen along the main road and col-lection road. Data of beneficial plant was available in</p>	

Program and Realization of Beneficial Plant Planting.

#### 7.2.2

The unit of certification have pesticides application program that established yearly. Records of pesticides use are maintained. The records including data of area treated, amount of pesticides use, amount of active ingredient applied per ha, and etc.

#### 7.2.3

Based on the explanation of the above indicators, there is sufficient evidence that the IPM plan was implemented. And, as seen the data for period 2022, the use of agrochemical show a trend to decrease.

#### 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

The results of field observations in pesticide storage warehouses and a study of the list of pesticide use documents obtained information that there was no use of pesticides listed on the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

#### 7.2.6

To ensure that pesticides are used or applied by people who have completed training and maintain competence of personnel, the company conducts regular training on, for example:

- Hazardous and Toxic Material and Chemist Officer Training on 15 September 2022 which was attended by 15 participants.
- Socialization of spraying technique in plasma on 17 May 2023 which was attended by 13 participants.

#### 7.2.7

The results of field observations of chemical storage warehouses, it is known that chemical storage warehouses are in accordance with Government Regulation number 74 of 2001 concerning the Management of Hazardous and Toxic Materials. Among them are equipped with hazard symbols, ventilation, adequate lighting, emergency response facilities and infrastructure, process flow for receiving and releasing chemicals, MSDS, storage of pesticides are grouped by type and available secondary containment which is clean.

#### 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 company has a program of annual medical surveillance for all workers and specific medical surveillance for pesticides workers. The specific medical surveillance provided to all workers who handling pesticide (i.e: pesticide sprayer, chemical store workers, etc) and will performed 2 (two) times a year.

The last specific medical surveillance (cholinesterase test) has carried out on March 2023. Records of test are available. The test results showed that seven workers need to be followed up.

#### 7.2.11

Unit of Certification has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on the results of interviews with fertilizer workers and spray workers, it was stated that workers who are pregnant or breastfeeding will be

transferred to other jobs that are not exposed to chemicals. As a form of monitoring, the company shows the employee Menstrual Leave monitoring document based on the Internal and External Sick Certificate every month.

**Status: Comply**

### 7.3

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

#### 7.3.1

Based on the results of the visit to the WWTP, it was found that the WWTP pond was full with a height of  $\pm 10$ cm from the ground, for example in pools number 3 and 4. This could have the potential for pond water seepage and environmental pollution.

From the results of interviews with WWTP officers that this situation has been going on for 6 months and the results of interviews with the company's PIC that pool washing activities are carried out once a year.

The company shows a management plan for the condition of the pond by dredging the WWTP pond from 01 July 2023 to 01 August 2023. In addition, the company also shows the budget for cleaning the pond contained in the document Mapping General Costs and Costs for TM-Palm Oil Palm Preparation which was signed by the Manager of Kebun Sei Intan. The company has the opportunity to ensure that the management of the WWTP pool is in accordance with the management plan it has. **OFI**

#### 7.3.2

Based on interviews with company management and the Head of the Hazardous and Toxic Waste Warehouse, it was found that they understood the handling of waste disposal, especially Hazardous and Toxic waste and non- Hazardous and toxic materials waste according to the procedures owned by the management unit. Based on the results of a field visit to the Afdeling 1 and 2 residential areas of Kebun Sei Intan, it is known that there is no use of Hazardous and Toxic waste to store water. In addition, waste management is also in accordance with the procedures owned by the company.

Based on interviews with company management and the Head of the Hazardous and Toxic Waste Warehouse at POM, it is known that they understand the handling of waste disposal, especially hazardous and toxic waste and non-hazardous and toxic waste according to the procedures owned by the management unit.

From the results of field visits to housing areas, estate and mill areas it was found that there were no hazardous and toxic waste materials outside the Hazardous and Toxic Waste Warehouse.

#### 7.3.3

Based on the results of field visits to employee housing areas, for example Afdeling 2 Sei Intan Estate as well as in Warehousing, both plantations and factories, it is known that there is 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 at Hazardous and Toxic Waste Warehouse.

**Status: Comply**

### 7.4

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

#### 7.4.1

The unit of certification demonstrates procedures related to the management of soil fertility so that yields are optimal and have minimal impact on the environment, which among others are listed in:

- 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 certification unit shows records of implementation of its practices according to established procedures, including:

- Leaf analysis results in 2022.
- Soil analysis results in 2022.
- Program and realization of organic fertilization using empty fruit bunch and POME.
- Documentation of fertilization recommendations and realization in 2022 for Sei Intan Estate.

Based on the results of interview with management and document review fertilization activities, it is known that for semester I 2023 period, has been finished. So, there is no fertilizing activities in field.

#### 7.4.2

##### Leaf Analysis

Leaf analysis is carried out once a year by *Pusat Penelitian Kelapa Sawit* (Indonesian Oil Palm Research Institute). Leaf analysis documents are available for Sei Intan Estate carried out in June 2022 with the observed parameters, among others, for the major elements N, P, K, Mg and Ca. For example, block 1E in Afdeling 1 planting year 2012 with test parameters 2.77 % N, 0.1616 % P, 0.8 % K, 0.86 % Ca and 0.31 % Mg

##### Soil Analysis

Soil Analysis Activities carried out by *Pusat Penelitian Kelapa Sawit* (Indonesian Oil Palm Research Institute)- Laboratory analysis of soil conditions and nutrient content in soil samples to determine fertilizer recommendations in maintaining and improving nutrient balance in soil. Parameters measured included: Texture, Acidity (pH), Content of C, N, P, K, Mg, Ca, Na and others.

Based on the results of interviews with representatives of management, it was explained that the results of the analysis were included in the fertilization program.

#### 7.4.3

The unit of certification has and implemented a nutrient recycling strategy, which includes the recycling of empty fruit bunches, the utilization of mill liquid waste and palm oil residue with the aim of encouraging the minimization of the use of inorganic fertilizers. Here are some of the documentation:

- EFB application.

Based on the results of interviews with unit management, it is known that the application dose of EFB for the plant area is + 40 tons/ha/year (based on Memo number 5/TNM/AA//16/II/2022 from SEVP Operations, dated 4 February 2022). The certification unit has documented and evaluated the EFB term application activities in 2022 and 2023, including those listed in the *Rekapitulasi Pemupukan Janjang Kosong Sei Intan Tahun 2022 Program & Realization*. Based on these documents, it is known the EFB application has been applied for 47.19 tons until Desember 2022. For year 2023 until May, it is known the EFB application has been applied for 1.097.14 tons

Based on the results of field observations on the application of empty fruit bunches in Block G4 Afdeling 2, workers explained that the dose per tree is approximately 70 EFB or 40 tonnes of EFB per hectare.

- Palm oil mill effluent

The company shows the Sei Intan POM Environmental Management and Monitoring Report - Utilization Of POME For Land Applications document January - April 2023, which, among other things, explains the date, start and end hours, land applied, application location, filled in today and up to today. For example, on April 30 2023, POME has been applied/ utilized in block 8D/10 D with an area of 4.95 Ha with a discharge of 510 m<sup>3</sup>.

#### 7.4.4

Records of fertilizer use are maintained and can be shown during audit activities, which are included in the 2022 Manuring Schedule document (updated until December 2022). Based on the document, it can be briefly explained the achievement of realization in 2022 per type of fertilizer, for example as follows:

- NPK 13.6.27.4: recommended 2,318.94 mt and completed 2,318.94 mt (100 %)
- MOP: recommended 341.69 mt and completed 341.69 mt (100 %)
- Borate: recommended 40.82 mt and finished 40.82 mt (100 %).

Status: **Comply**



<b>7.5</b> <b>Practices minimize and control erosion and degradation of soils.</b>		
<b>7.5.1</b> 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: <ul style="list-style-type: none"><li>• Map of soil type. In the operational area are Dystropepts, Ka hapludults, Hapludox, and Tropaquepts.</li><li>• Map of river (on HCV map).</li><li>• Map of slope class: all of operational area was 0 – 8 % (flat).</li><li>• Map of topography. The contours shown that the area was flat.</li><li>• Map of geology. The soils were formed from old aluvium, <i>fomasi Minas</i>, <i>formasi petani</i>, <i>formasi telsa</i>.</li></ul> 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.		
<b>7.5.2</b> 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.		
<b>7.5.3</b> 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.		
	<b>Status: Comply</b>	
<b>7.6</b> <b>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.</b>		
<b>7.6.1</b> 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.		
<b>7.6.2-7.6.3</b> There is no new area development.		
	<b>Status: Comply</b>	
<b>7.7</b> <b>No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.</b>		
<b>7.7.1 – 7.7.7</b> 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.		
	<b>Status: Comply</b>	
<b>7.8</b> <b>Practices maintain the quality and availability of surface and ground water</b>		
<b>7.8.1</b> Wet streams in company areas are protected by the company. This is evidenced by the results of field observations in the hot springs, for example in Block 14E, that the riverbanks are protected by the company by not applying pesticides. Some of the activities carried out by the company are by placing red marks on the palm trees and chemical limit markers as chemical application limits and planting several timber plants. In addition, there are no traces of chemical application on the riverbank.		

The company also has a river riparian area management program for the 2023 period, namely:

- Installing spray boundaries in conservation areas
- Carry out land clearing without herbicides (manually) along the river border area
- Enrichment of timber plantations along the river
- Carry out fertilization by planting.

In addition, based on the results of interviews with employees in the housing, information was obtained that there were no obstacles related to water use and there were no restrictions from the company.

### 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 Afdeling 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 has an extension of the Permit for Disposing of Wastewater to the Palm Oil Industry on Land Number: KPTS.503/DPMPSTP-IPAL/04/V 2020 from the Regent of Rokan Hulu on 20 May 2020 valid for 5 years.

Companies can show documents on the results of measuring the quality of liquid waste applied to land, namely documents on the results of testing liquid waste for the period August 2022 and November 2022. Tests are carried out by a KAN-accredited laboratory (LP-894-IDN) using quality standards referring to Minister of Environment Decree No. 28 of 2003. Based on the results of the analysis of the test documents, it shows that all the parameters tested are in accordance with the applicable quality standards. As an example of the test results for the August 2022 period with BOD 1,291.86 (Quality Standard: <5,000) and pH 7.30 (Quality Standard: 6-9). In addition, the test results for the November 2022 period showed a BOD of 1,991.26 (Quality Standard: <5,000) and pH 7.40 (Quality Standard: 6-9).

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

### 7.8.4

The company already has a Water Resources Exploitation Permit from the Ministry of Public Works and Public Housing Number 454/KPTS/M/2020 dated May 6 2020 which is valid for 5 years. The conditions given according to the permit include:

- Method of collection: pumping.
- Water quota/discharge: 14.88 liters/second.
- Pick up schedule: 20 Hours/day for 28 days/month.
- Location: river rokan kiri.

The company has recorded the use of water for processing FFB which is done every month. The company also has records of water use for the period in 2022 and the company can show an example of recording water use in December 2022, namely 4,937 m3 with a water use ratio of 0.3 m3/ton FFB.

The company can also show proof of payment of the water tax paid to the Riau Provincial Government, the Riau Province Regional Revenue Agency in December 2022, December 7, 2022.

From the proof of payment, it is clear that the use of water is in accordance with the stipulated permit and the tax paid is also appropriate based on the calculation of water tax.

**Status: Comply**

### 7.9

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

### 7.9.1

The plan to increase efficiency in the use of fossil fuels and to optimize the use of renewable energy by companies 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.

Companies can show records of the use of shells and fiber which are used as boiler fuel along with the KWH produced by turbines from the use of shells and fiber, for example for the December 2022 period as follows:

Processed FFB amounted to 16,673 tons, fiber used amounted to 2,168 tons and shells amounted to 1.67 tons. the total KWH of the turbine produced from the use of shells and fiber is 271,224 KWH using a Genset/Generator of 134,074 KWH.

Status: Comply

### 7.10

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

#### 7.10.1

The company also has conducted GHG emission calculations period 2022 (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	tCO2e/tProduct
CPO	0.68
PK	0.68

Land use	Ha
Planted area on mineral	18146.12
Planted on peat	0.00
Total area planted	18146.12
Conservation Area (Forested)	0.00
Conservation Area (Non-Forested)	38.31
FFB Production per hectare	28.95
OER	22.20
KER	4.17

#### Summary of field emission and Sinks

Description	Own crop		Group		3 rd Party	Total
Emissions Sources	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	
Land conversion	28777.34	0.38	20039.76	0.34	0.00	48817.09
CO2 emissions from fertilizer	3139.06	0.04	2354.14	0.04	0.00	5493.19
N2O emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00
N2O from Fertilizer	2543.98	0.03	1714.32	0.03	0.00	4258.30
Fuel consumption	686.79	0.01	266.86	0.00	0.00	953.65
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00
Sinks						
Crop sequestration	-26897.64	-0.36	-18819.92	-0.32	0.00	-45717.56
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00
Total	8249.52	2.67	5555.16	0.09	0.00	20614.32

### Summary Oil Mill Emissions and Credits

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
Emissions sources		
POME	11264.02	0.06
Fuel consumption	275.80	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>11539.81</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 is known that there are no new developments. The company has identified pollution sources at PKS and Estate, the document informs sources (stations/activities), sources of pollution and emissions, impacts (humans, 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 companies include:

- Monitor air quality and emissions from boilers and generators.
- Manage liquid waste in WWTP before it is used in plantations.
- Carry out regular machine maintenance.
- Optimizing the use of fertilizer according to recommendations.
- Use of fibers and shells in PKS to reduce diesel.

The company has conducted emission tests from boilers and generators, as well as ambient air quality which will be carried out in semester 2 of 2022 by a KAN-accredited laboratory (LP-894-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.

From the results of the auditor's verification of test results documents such as emissions from boilers, generators and furnaces owned by the company, information can be obtained that all test parameters are below the quality standard.

The company can also provide examples of test results for the boiler unit with a capacity of 30 tons at PKS which was tested on

November 18, 2022, that the particulate parameter test results were 24.34 mg/m<sup>3</sup> with a quality standard of 300 and an opacity parameter test result of <20% with a quality standard 30.

**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, explaining that the clump of chopped palm stalks may not be burned or zero burning. Tree trunks that have been felled, chopped beforehand then collected/piled up on a predetermined pile path.

#### 7.11.2

The company already has Land Fire Monitoring activities presented in the RKL RPL report. The results of this monitoring are carried out routinely through security patrol activities in the HGU area, indicating that there were no incidents of land fires on productive plants. In addition, the company has also been equipped with firefighting teams and supporting equipment for land fire fighting.

Companies can also show a list of monitoring and conditions of fire fighting infrastructure, for example:

- There is a Robin water pump 1 set
- There is a Water Pump "Shibura"
- There are 2 sets of water suction hoses
- There are 3 sets of multi-function nozzles
- There are three branches 1 set
- There are 4 Hydrants.

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 taking fire prevention and control measures by outreach to the community. Companies can show records of socialization of land fire control and prevention, for example on July 27 2022 to 33 Village Communities around the Company, namely Kembang Damai Village and Bukit Intan Makmur Village.

**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 on August 3, 2018 and has been responded to by 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) 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 2022. 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.

Companies can show several implementations of the HCV management and monitoring plans for the 2023 period which were made on 05 May 2023 with their respective PICs, namely:

- Installing spray boundaries/boards prohibiting hunting and destruction in the HCV area
- HCV Area Monitoring (external)
- Monitoring wild animals in the KBKT area (reporting at the time of encounter)
- Land clearing without herbicides (manually) along the river border area
- Enrichment of timber plants along the river
- Outreach to employees/community about maintaining the KBKT area
- Implementation of fertilization around the disk by planting.

### 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 Afdeling 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 outreach to the community and workers in the company regarding the existence of endangered plants and animals, which is carried out simultaneously with the socialization of HCV areas.

The company can also show evidence of the socialization that was carried out to the surrounding community on 23 May 2023 to:

- Head of Kembang Damai Village
- Chairman of Youth Organization of Kembang Damai Village
- Chairman of BPD Desa Kembang Damai
- Head of LKA Kembang Damai Village
- Head of Dusun Sei Karang
- RT and RW Dusun Sei Karang.

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 periodically according to the plan it has, besides that every 1 year periodic monitoring is carried out by an independent party and the results are included in the monitoring report of high conservation value areas in the Sei Rokan SBU area, the last monitoring will be carried out in 2022. Monitoring results HCV management are as follows:

- Intensity of disturbance by land fires and community occupation of HCV areas, destruction of plants for enrichment of border areas.
- Changes in river width, physical condition of HCV area boundary markings and warnings of HCV areas such as chemical boundaries.
- Maintenance of HCV boundary signs along with other warning boards (borders that have been damaged).
- Planting non-cultivated plants and fruits.
- The assistant conducts outreach to the community about HCV and provides education on wildlife around the Estate.
- Conduct training on efforts to manage flora and fauna identified in HCV areas.
- Reporting the results of HCV management and monitoring. Coordination and consultation.

Companies can also show several implementations of the HCV management and monitoring plans for the 2023 period which were made on 05 May 2023 with their respective PICs, namely:

- Installing spray boundaries/boards prohibiting hunting and destruction in the KBKT area.
- HCV Area Monitoring (external).
- Monitoring wild animals in the KBKT area (reporting at the time of encounter).
- Land clearing without herbicides (manually) along the river border area.
- Enrichment of timber plants along the river.
- Outreach to employees/community about maintaining the KBKT area.
- Implementation of fertilization around the disk by planting.

#### **Animal Protection Status**

Based on verification that the company has conducted monitoring of animals and plants in the 2022 period referring to Minister of Environment and Forestry No. 106 of 2018. From the monitoring results, there are 8 types of protected animals based on Minister of Environment and Forestry No. 106 of 2018. Examples include the hoop monkey (*Presbytis percura*) and the root cat (*Prionailurus bengalensis*).

### Spray limit sign

Based on the results of field observations in the HCV area of the River of Anak Sungai Kepanasan Block 12/14 E Afdeling 1, Block 10 E Afdeling I, it is known that there are spray limits in the form of signs informing the prohibition of spray limits such as marking a red cross (X) on the palm tree .

Apart from that, it can be proven that the company protects the riparian area by not finding traces of chemical application in the area.

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>
<b>ASA 4</b>	The Sei Intan POM and one estate supply bases, does not use the Trademark both in the on-product and off-product	√
	<b>Status: Comply</b>	
<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>
<b>ASA 4</b>	The Sei Intan POM and one estate supply bases, does not use the Trademark both in the on-product and off-product	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
<b>ASA 4</b>	The Sei Intan POM and one estate supply bases, does not use the Trademark both in the on-product and off-product	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>ASA 4</b>	The Sei Intan POM and one estate supply bases, does not use the Trademark both in the on-product and off-product	√
	<b>Status: Comply</b>	

### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of PT Perkebunan Nusantara V 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 V subsidiary of PTPN III Time Bound Plan (TBP) is explained in table 1.10. PT Perkebunan Nusantara V subsidiary of PTPN III has 10 (ten) management units with 63 (sixty-three) mills. PT Perkebunan Nusantara V subsidiary of PTPN III has informed the TBP progress, MUTU has considered that PT Perkebunan Nusantara V subsidiary of PTPN III is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PT Perkebunan Nusantara V subsidiary of PTPN III on 13 November 2022.

MUTU has verified partial certification for un-certified unit's subsidiary of PT Perkebunan Nusantara V subsidiary of PTPN III based on their Time Bound Plan. There are 28 uncertified mills and 77 uncertified estates of PT Perkebunan Nusantara V subsidiary of PTPN 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 12-13 November 2022 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 support- ed evidence of the self-assessment against each requirement such as self-assessment reports
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	PTPN I PKS Tanjung Seumantoh: Kebun Lama, Kebun Baru and Tualang Sawit Estate stated has no replacement of primary forest or any area containing HCV. Disclosure of two estates had delivered in 07 December 2022. LUCA for Kebun Lama had conducted on 22-26 October 2022 on area covers 4.739,72 ha, while for Kebun Baru had conducted on 17-21 October 2022 on area covers 4.739,52 ha. Both resulting resulting zero liability. However, approval of LUCA from RSPO is not available. Moreover, disclosure registration and LUCA for Tualang Sawit Estate are not available. PKS Cot Girek: Cot Girek and Julok Rayeuk Utara Estate stated has no replacement of primary forest or any area containing HCV, as informed in HCV report that had delivered on 07 December 2022. LUCA for Cot Girek had conducted in 12-16 October 2022 on area covers 7.596.36 ha, resulting zero liability. Review of disclosure for Cot Girek Estate was still under review by RSPO. However,

		<p>approval of LUCA and evidence of disclosure to RSPO are not available. Furthermore, disclosure registration, LUCA, SIA and HCV for Julok Rayeuk Utara Estate is not available.</p> <p><b>PTPN II</b></p> <ul style="list-style-type: none"> <li>• PKS Sawit Hulu: disclosure of Kebun sawit Hulu had responded by RSPO through email dated 26 August 2022, which stated that LUCA is not required for this management unit which covers 9,671 ha.</li> <li>• PKS Sawit Seberang: disclosure of Kebun Sawit Seberang had delivered in 19 september 2022 and responded by RSPO through email dated 08 November 2022 which informs zero liability on area covers 8,079.11 ha. However, disclosure and LUCA for Batang Serangan dan Tanjung Jati Estate are not available. HCV for Tanjung Jati and Batang Serangan was still ongoing.</li> <li>• PKS Kwala Sawit: disclosure registration and LUCA for mill and estate supply bases are not available. HCV for Kwala Sawit and Air Tenang Estate was still ongoing.</li> </ul> <p>PKS Pagar Merbau: disclosure registration and LUCA for mill and estate supply bases are not available. HCV for Melati, Patumbak, Tandem, Bandar Klippa, Limau Mukur, were still ongoing by Consultant CV Alam Semesta.</p> <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. (Not available LUCA review)</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 KBDY and KRBTN has conducted HCV-HCS assessment by CV Greenera dated 19 to 23 October 2021. While the KNINO and KJLRS have been assessed on November 2022 by CV Greenera (ALS-HCV).</p> <p>PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion areas 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</p>
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		<p>company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PT PN III. The company still waiting for Head of District decision response, for 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 areas, 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 (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted on January 2018.</li> <li>Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</li> </ol> <p>PTPN IV</p> <p>Timur Estate and Batang Laping Estate has conducted HCV assessment by PT Koompasia Environment Institute in 2018.</p> <p>PTPN V</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.</p> <p>PTPN VI</p> <p>Uncertified management units has conducted HCV assessment such as :</p> <p>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 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. Bukit Kaustar will</p>
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		<p>be assessed HCV identified</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 Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</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</p> <p>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>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 awareness criteria 7.12 RSPO P&amp;C and Risk Analysis for six business units (PLK, Solisel, BKC, B. Kausar, and MAI) by Consultant <i>Inovasi Sejahtera Berkelanjutan</i>.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>PTPN III</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>

		<p>a. 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>b. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</p> <p>PTPN V</p> <p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &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 which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12.</p> <p>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>
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2.1.4	<p>Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed to Criterion 4.8, 4.7 and 4.5 in P&amp;C 2018).</p>	<p><b>PTPN I</b> It was reported that there are no land conflict in PKS Tanjung Seumantoh, PKS Cot Girek, as well as on its estate supply bases.</p> <p><b>PTPTN II</b> Any evidence regarding land conflicts resolution in PTPN II with surrounding communities were available. For example as shown through mediation process on occupation in Kebun Jati, Tanjung Garbus, Patumbak, Limau Mungkur, Bandar Klippa and Tandem Estate.</p> <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 areas 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 areas, 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 (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted on January 2018.</li> <li>Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</li> </ol>

	<p>For JV units, there is any new plantings since January 1st 2010. The JV units not yet comply with the RSPO New Plantings Procedure. PTPN III has sent disclosure regarding this issue to the RSPO Secretariat.</p> <p>Based on self assessment in KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no land dispute issues, since last year period until the partial audit conducted on November 2022.</p> <p><b>KRBTN</b></p> <p>There are several area in Afdeling VII were occupied by communities 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 IV</b></p> <p>There is no labour issue/dispute found during partial certification audit.</p> <p><b>PTPN V</b></p> <p>There was land conflict between PT PN V with community in Senama Nenek village, located in Sei Kencana Estate and Terantam Estate for approximately <math>\pm 2,800</math> Ha (<math>\pm 550</math> Ha under Terantam Estate and <math>\pm 2,250</math> 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></p> <p>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>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</p>
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		<p>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> <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 November-December 2021 and January to November 2022.</p> <p><b>PTPTN VII</b></p> <ul style="list-style-type: none"> <li>Any evidence regarding land conflicts resolution in PTPN VII with surrounding communities were available.</li> <li>Bentayan and Senabing Estate has an opportunity to develop mechanism or flow chart process towards land conflict resolution through FPIC approach, and conducting socialization to the respective stakeholders. <b>Observation.</b></li> </ul> <p><b>PTPTN VIII</b></p> <ul style="list-style-type: none"> <li>PKS Kertajaya: There were land occupied by surrounding communities. However, there were a statement from occupant regarding those areas which mentioned several requirement by estate unit.</li> </ul> <p>PKS Cikasungka: There were land occupied by surrounding communities. However, there were a statement from occupant regarding those areas which mentioned several requirement by estate unit.</p> <p><b>PTPN XIV</b></p> <p>There were land occupied by surrounding communities, e.i. Asera estate, Keera Maroangin estate, Malili estate. There were effort to resolve land occupied by estate unit.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p><b>PTPN I</b></p> <p>There is no negative issues regarding labor disputes.</p> <p><b>PTPTN II</b></p> <p>There is no negative issues regarding labor disputes</p> <p><b>PTPN III</b></p> <p>Based on self assessment in KRBTN, KBDSY, KKINO and</p>

		<p>KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on October 2022.</p> <p><b>PTPN IV</b> There is no labour issue/dispute found during this initial certification audit.</p> <p><b>PTPN V</b> There is no labour issue/dispute found during this initial certification audit.</p> <p><b>PTPN VI</b> 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. 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>PTPTN VII</b> There is no negative issues regarding labor disputes on.</p> <p><b>PTPTN VIII</b> There is no negative issues regarding labor disputes.</p> <p><b>PTPN XIV</b> There is no negative issues regarding labor disputes.</p>
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2.1.6	<p>Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&amp;C criterion 2.1 (it has changed to Criterion 4.2 in P&amp;C 2018).</p>	<p><b>PTPN I</b> Evaluation on contractors and/or third parties regarding regulation compliance is not available.</p> <p><b>PTPTN II</b> Identification, installation and maintenance of BPN boundary poles for Limau Mukur, Melati, Bandar Klippa and Tandem Estate are not available.</p> <p><b>PTPN III</b> <b>KRBTN</b> Letter from Sumatera Utara Governor with number 520.33/145/DISPMPPTSP/5/I.5/I/2018 dated 25 January 2018 about Revision of commodity from rubber to oil palm plantation in Rambutan Estate. Revision from Rubber: 2,253.35 Ha &amp; Oil Palm 546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha. 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> <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. HGU on process, the latest process are <i>Nota Dinas</i> 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.</p> <p>Based on Self assessment there are some conditions not yet compliance with RSPO criteria 2.1 such as: a. HGU on process (Sei Simujur-2, KRBTN): There are letter from Senior Executive Vice President PTPN III dated 22 September 2020 with number</p>
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### 3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-3

<b>NCR No.</b>	<b>:</b>	<b>2022.01</b>	<b>Issued by</b>	<b>:</b>	<b>Sentot Adi Subandono</b>
<b>Date Issued</b>	<b>:</b>	<b>5 August 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>3 November 2022</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>3 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>3.6.1</b> <b>All operational activities risks assessed to identify the H&amp;S issues. Mitigation plans and procedures are documented and implemented.</b>			
<b>Evidence observed (filled by auditor):</b>  <b>1. PPE distribution</b> <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> <b>Reference</b> <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> <b>2. Spray Kep Storage</b> <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> <b>Reference</b> <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> <b>Non-Conformance Description (filled by auditor):</b>  Based on the evidence above, it can be concluded that: <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> <b>Root Cause Analysis (filled by organization audited):</b> <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 and charging</li> </ol>					

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 /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>:</b>	<b>Sentot Adi Subandono</b>
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NCR No.	: 2022.02	Issued by	: Hasiholan Sihombing
Date Issued	: 5 August 2022	Time Limit	: 3 November 2022
NC Grade	: Major	Date of Closing	: 13 September 2022
Standard Ref. & Requirement	<b>3.8.7 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. iii. The mill shall have a mechanism in place for handling of non- conforming FFB and/or documents		
<b>Evidence observed (filled by auditor):</b>  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).  <b>Non-Conformance Description (filled by auditor):</b>  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).  <b>Root Cause Analysis (filled by organization audited):</b> <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> <b>Correction (filled by organization audited):</b> 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.  <b>Corrective Action (filled by organization audited):</b> Conduct retraining for PICs who are responsible for reporting certified oil production, namely Quality Control Assistants, production clerks, and delivery clerks.  <b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Auditor Verification September 13, 2022</b> The company has shown evidence of improvement in the form of: <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> </ul>			

- 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

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.

<b>Verified by</b>	<b>:</b>	<b>Hasiholan Sihombing</b>
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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>			
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p>			
<p><b>Auditor Verification September 13, 2022</b></p>			

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 because analysis, corrective actions and submitted evidence, this discrepancy can be declared Fulfilled.

<b>Verified by</b>	<b>:</b>	<b>Hasiholan Sihombing</b>
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<b>NCR No.</b>	<b>:</b>	<b>2022.04</b>	<b>Issued by</b>	<b>:</b>	<b>Kiki Fadli</b>
<b>Date Issued</b>	<b>:</b>	<b>5 August 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>3 November 2022</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>1 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.2.2</b> <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>			
<b>Evidence observed (filled by auditor):</b> <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>					
<b>Reference</b> <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>					
<b>Non-Conformance Description (filled by auditor):</b> <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>					
<b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>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>The supervisor appointed to oversee the work of the vendor is negligent in supervising the vendor's workers.</li> </ul>					
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>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>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>					
<b>Corrective Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>The management of PTPN V has issued a warning letter to vendors who employ workers without a work contract.</li> </ol>					



2. Requiring vendors appointed as partners to submit a list of employees employed to PTPN Management prior to the commencement of the contract.
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.
4. Management is obliged to evaluate contractors every six months to see the level of compliance of partners with work contracts.
5. Negligence of partners in fulfilling work contracts can be subject to warnings and sanctions.
6. The management of Sei Intan has also re-socialized the outsourcing partners on September 5 2022.

**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:

- Contractor's work agreement with workers with the initials N and HS on August 21, 2022.
- Letter of reprimand to contractors who employ personnel without a work agreement on August 2, 2022.
- 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.

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:

- Socialization of vendor work operational policies on September 5, 2022 for 12 people.
- 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.

<b>Verified by</b>	<b>:</b>	<b>Kiki Fadli</b>
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<b>NCR No.</b>	<b>: 2022.05</b>	<b>Issued by</b>	<b>: Kiki Fadli</b>
<b>Date Issued</b>	<b>: 5 August 2022</b>	<b>Time Limit</b>	<b>: ASA-4</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 1 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.7</b> <b>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.</b>		
<b>Evidence observed (filled by auditor):</b> <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>			
<b>Referensi</b> <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>			
<b>Non-Conformance Description (filled by auditor):</b> <p>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.</p>			
<b>Root Cause Analysis (filled by organization audited):</b> <p>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.</p>			
<b>Correction (filled by organization audited):</b> <p>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.</p>			
<b>Corrective Action (filled by organization audited):</b> <p>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.</p>			

**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.

<b>Verified by</b>	<b>:</b>	<b>Kiki Fadli</b>
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<b>NCR No.</b>	<b>: 2022.06</b>	<b>Issued by</b>	<b>: Rahmat Abdiansyah</b>
<b>Date Issued</b>	<b>: 5 August 2022</b>	<b>Time Limit</b>	<b>: ASA-4</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 1 November 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.3.2</b> <b>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</b>		
<b>Evidence observed (filled by auditor):</b> <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>			
<b>Reference</b> <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>			
<b>Non-Conformance Description (filled by auditor):</b> <p>the Company has not been able to show evidence of hazardous waste management in accordance with the procedures it has.</p>			
<b>Root Cause Analysis (filled by organization audited):</b> <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>			
<b>Correction (filled by organization audited):</b> <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>			
<b>Corrective Action (filled by organization audited):</b>			

- 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.

**Verified by** : **Rahmat Abdiansyah**

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-4**

NCR No.	:	2023.1	Issued by	:	Erika Lucitawati
Date Issued	:	02 June 2023	Time Limit	:	Recertification
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	2.2.2 All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party.			

**Evidence observed (filled by auditor):**  
Based on the results of document review, the company shows the following documents:

- SOP Review Contract No. SOP/ADMI/02 Rev. 02 dated January 2, 2018 which explains that the administrative assistant coordinates with other section assistants to make an evaluation of the contractor's performance at the beginning of each year which will be considered in the selection of records the following year.
- Partnership Evaluation Guidelines No. DP/ADMI/4.01 dated August 1, 2018 which contains parameters for assessing the performance evaluation of contractors including compliance with applicable laws and laws, ethical behavior in business, prohibition of child labour, application of minimum wages, use of PPE, implementation of matters related to OHS, etc.
- Partnership Evaluation for Semester II of 2022 dated January 3, 2023 which contains the evaluation results of contractors including PT Romorazunt, PT Sugih Indah Sejati, PT Mujur Karya Sentosa, and PT Jaya Wira Manggala with the results of partners who are very supportive of the Sei Intan Plantation and are recommended to become partners for next year.

In terms of implementation of the fulfillment of relevant legal obligations, the company has shown documents from the third party concerned, the company shows the following documents.

**PT Mujur Karya Sentosa**

- Agreement No. 305/TNM/SPER/SPPBJ/1546/XII/2021 with PT Mujur Karya Sentosa dated December 21, 2021 and valid until December 31, 2024. Type of work is transporting FFB at Sei Intan Estate.
- PT Mujur Karya Sentosa for FFB transportation has 14 workers.
- Employee of PT Mujur Karya Sentosa a.n. G (initials) which has a work agreement with PT Mujur Karya Sentosa No. 01 /BA-KK/XII/2022 with an income of Rp. 7,054,650 in April 2023 and there are deductions for *BPJS Kesehatan* and *BPJS Ketenagakerjaan*.

**PT Romorazunt**

- Agreement No. SPPBJ/N00E/2022/0649 with PT Romorazunt July 12-December 31, 2022. Type of work is oil palm replanting at Sei Intan Estate.
- PT Romorazunt for replanting work has 8 workers.
- PT Romorazunt employee a.n. BS (initials) who already has a work agreement with PT Romorazunt No. 03 /BA- KK/VI/2022 income of Rp. 5,280,000 in November 2022 and there are deductions for *BPJS Kesehatan* and *BPJS Ketenagakerjaan*.

**PT Sugih Indah Sejati**

- Agreement No. 5.LTSA/SP/07/IV/2023 with PT Sugih Indah Sejati April 1-June 30, 2023. Type of work is supplier of FFB and loose fruit to Sei Intan POM.
- However, the company has not been able to show proof of implementation of the fulfilment of relevant legal obligations in the employment aspect such as a list of workers working at Sei Intan POM, proof of payment of wages to workers, and proof of provision of *BPJS Kesehatan* and *BPJS Ketenagakerjaan* to workers working at Sei Intan POM.

**PT Jaya Wira Manggala**

- The company has not been able to show the security cooperation agreement between PT Perkebunan Nusantara V and PT Jaya Wira Manggala.
- PT Jaya Wira Manggala for security work has 30 workers.



<ul style="list-style-type: none"> <li>However, the company has not been able to show proof of implementation of the fulfilment of relevant legal obligations in the employment aspect such as a list of workers working at Sei Intan Unit, proof of payment of wages to workers, and proof of provision of <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> to workers working at Sei Intan Unit.</li> </ul>	
<p><b>Non-Conformance Description</b> (filled by auditor):</p> <p>The company has not been able to show sufficient evidence that all cooperation with third parties has fulfilled relevant and verifiable legal obligations, such as cooperation agreements, lists of workers working in certification units, proof of payments to workers, and proof of the provision of <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> for workers working in the unit of certification.</p>	
<p><b>Root Cause Analysis</b> (filled by organization audited):</p> <p>The company has not coordinated with all third parties working in the Sei Intan plantation unit regarding the fulfillment of applicable legal obligations, especially to PT TBS suppliers. Sugih Indah Sejati and PT Jaya Wira Manggala as security workers</p>	
<p><b>Correction</b> (filled by organization audited):</p> <p>The unit must consistently carry out outreach to all third parties working at the Sei Intan Plantation regarding fulfilling legal obligations for third parties, and then the unit will provide sanctions to third parties who do not fulfill their legal obligations.</p>	
<p><b>Corrective Action</b> (filled by organization audited):</p> <p>The Unit creates a PIC who is responsible for fulfilling relevant legal obligations to all third parties working at the Sei Intan Plantation</p>	
<p><b>Assessor Evaluation and Conclusion</b> (filled by auditor):</p> <p><b>Verification on 08 August 2023</b></p> <p>The company shows proof of repair documents as follows:</p> <ul style="list-style-type: none"> <li>PT Sugih Indah Sejati worker a.n. YS (initials) with an income of Rp. 4,989,000 in December 2022 and in April 2023 Rp. 10,755,200 and there are cuts to BPJS Health and BPJS Employment.</li> <li>SKEP Concerning Determination of Persons Responsible for Handling Relevant Hutum Compliance to Third Parties/Contractors No. U-5/SIN/SKEP/03/VI/2023 dated 13 June 2023 which informs the determination of the name of company staff as the person responsible for handling relevant legal compliance to third parties/contractors is a.n. Wahyu Utomo.</li> <li>Evidence of policy socialization and legal compliance carried out on June 14 2023 to 19 participants including 8 supplier representatives. However, it has not explained the origin of the business entity/company collaborating.</li> </ul> <p>Apart from that, the company still needs to answer the auditor's response in the correction and corrective action column. Thus, the discrepancy in this indicator is declared not yet fulfilled.</p>	
Verified by	: Erika Lucitawati

NCR No.	:	2023.2	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	02 June 2023	Time Limit	:	31 August 2023
NC Grade	:	Major	Date of Closing	:	31 August 2023
Standard Ref. & Requirement	:	3.8.12 <u>Record Keeping</u> i. The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii. Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii. For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv. For Mass Balance Module, the mill: a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)			
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Evidence observed (filled by auditor):  
Data Accuracy  
Based on the results of a review of the Actual Production documents listed in the Basic Info PTPN V – Sei Intan POM with Mass Balance Data for the period May 2022 to April 2023, there are several things that are inaccurate, namely:

Product	Actual Production	Mass Balance	Difference
FFB Certified (MT)	126,300.37	126,300.37	-
FFB Uncertified (MT)	45,261.09	45,261.09	-
CPO Certified (MT)	29,501.22	29,589.88	88.66
CPO Uncertified (MT)	8,667.72	8,703.88	36.16
PK Certified (MT)	5,144.96	5,160.15	15.19
PK Uncertified (MT)	1,952.91	1,960.53	7.62

Based on the table above, there are several products such as CPO Certified, CPO Uncertified, PK Certified and PK Uncertified data that have differences in their calculations and are inaccurate.

Negative Stock  
Based on the results of a review of Mass Balance documents for the period May 2022 to April 2023, it is known that there are PK Certified stocks that are experiencing a negative (minus) condition because these products were sold as non-certified in the previous few months and in that month, there were also sales of certified products that exceeded the actual stock available. The following is the data submitted:

- In November 2022 there was final stock for CSPK of 11.70 MT and in December 2022 there was CSPK production of 618.99 MT, of which CSPK was then sold for 788.29 MT so that the final total CSPK stock was -157.60 MT.
- In December 2022 there was final stock for CSPK of -157.60 MT and in January 2023 there was CSPK production of 265.41 MT, which was then sold for 638.28 MT of CSPK so that the final total CSPK stock was -530.47 MT.
- In January 2023 there was final stock for CSPK of -530.47 MT and in February 2023 there was CSPK production of 237.73 MT which was then sold for 281.81 MT of CSPK so that the final total CSPK stock was -574.55 MT.

In accordance with the explanation above, the company during the 3-month period (December 2022 to February 2023) experienced negative stock for CSPK, but was still carrying out CSPK sales activities. Where the condition is that the mill can only send MB sales

from positive stock. Positive stock may include products ordered to be delivered within 3 (three) months.

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

Based on the explanation and facts found above, the company cannot ensure that the record keeping carried out has guaranteed the accuracy/completeness/update of data related to SCCS has been properly documented and sales of certificate products with the MB Module are in positive stock for 3 months (there is negative stock for 3 months).

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

The PIC who is responsible for inputting data into the Mass balance report entered the data incorrectly and the mass balance report that was prepared was not double checked by the QA Assistant so that the PK volume in stock was minus and information on differences in actual production occurred for CPO/PK.

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

- Make improvements to the Mass Balance Report (according to actual production) and carry out 3-monthly evaluations by ensuring that the CPO/PK production evaluation results recorded are in accordance with the actual.
- Shows the results of a 3-month evaluation carried out and no negative PK stock or differences between actual production and CPO/PK were found in the Mass Balance Report.

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

Conduct SCCS socialization for production clerks and QA assistant personnel to increase the PIC's understanding in preparing Mass Balance Reports, as well as requiring superiors to validate Mass balance reports every 3 months.

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

##### Verify on 30 August 2023

The company has determined the root of the problem, corrective and corrective actions related to non-conformities that arise when audit activities are carried out. The company has also shown some evidence of improvement, namely:

- Mass Balance Report Document for the period December 2021 to April 2023 which has been adjusted to actual production and has been evaluated by the Company (Quality Assurance/QA Assistant) with the following results:
  - ❖ In November 2022 there was final stock for CSPK of 603,086 MT and in December 2022 there was CSPK production of 618.99 MT which was then sold for 788.29 MT of CSPK so that the final total CSPK stock was 529,405 MT.
  - ❖ In December 2022 there was final stock for CSPK of 529,405 MT and in January 2023 there was CSPK production of 265.41 MT which was then sold for 638.28 MT of CSPK so that the final total CSPK stock was 275.26 MT.
  - ❖ In January 2023 there was final stock for CSPK of 275.26 MT and in February 2023 there was CSPK production of 237.73 MT which was then sold for 281.81 MT of CSPK so that the final total CSPK stock was 56.15 MT.
- Internal Memo No. U-5 SIN/M/37/VI/2023 dated 06 June 2023 concerning Re-Checking Mass Balance Reports, which explains the procedures for ensuring that there are no mass balance reports that are mistaken with actual data.
- SCCS socialization document in accordance with procedures and additional 3 month evaluation on August 22 2023 to all related PICs from clerks to QA Assistants.

From the evidence of improvements mentioned above, the Company still has not shown some evidence and there are questions from the auditor as follows:

- Actual Production documents (Basic Info) which have been updated in accordance with changes to the Mass Balance Report updates have not been shown.
- There is a difference between the Mass Balance Report and the Actual Evidence of Production (Basic Info) obtained during the audit activity (in accordance with the evidence observed in the section above), starting from TBS, CPO and PK.
- Proof of 3-monthly evaluations carried out in accordance with specified corrective actions.

Based on the explanation above along with the evidence that has been provided, this discrepancy is still declared not fulfilled.

##### Verify on 31 August 2023

The company shows evidence of additional improvements such as:

- Basic Info document which provides information regarding actual estate and mill production for the last 12 months which has

been updated so that there are no differences from the SCCS Sei Intan POM mass balance document.

- Mass Balance Report Document for the period December 2021 to April 2023 which has been adjusted to actual production and has been evaluated by the Company (Quality Assurance/QA Assistant).

**Based on the explanation above along with the evidence that has been provided, this discrepancy is declared to have been fulfilled and its consistency will be observed again in the next assessment.**

<b>Verified by</b>	<b>:</b>	<b>Rindu Galih Rezza Rachmansyah</b>
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NCR No.	:	2023.3	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	02 June 2023	Time Limit	:	31 August 2023
NC Grade	:	Major	Date of Closing	:	07 June 2023
Standard Ref. & Requirement	:	3.8.16 <u>Registration of Transactions</u> 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. 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.			
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Evidence observed (filled by auditor): <u>Removing Stock</u> Based on the results of a review of the Mass Balance document for Sei Intan POM in the licensing period 17 December 2022 to 16 June 2023, it is known that there are sales of non-Certified products that use RSPO certified product stock with the following details: <ul style="list-style-type: none"><li>• Certified CPO products totaling 10,921.07 MT (certified products sold as non-certified)</li><li>• PK Certified products totaling 1,075.77 MT (certified products sold as non-certified)</li></ul> Based on the results of a review of Removing Stock documents on Palm Trace, it is known that the company has carried out Removing Stock for CSPO of 244.98 MT and carried out Credit Allocation of 17,366 MT. However, for CSPK products sold as non-certified, no Stock Removal or Credit Allocation is carried out. <u>Shipping Announcement</u> Based on the results of the study of the Shipping Announcement document, it is known that there are Shipping Announcements that have exceeded the 3-month period since delivery was made, namely in the Shipping Announcement document for CSPK with Transaction No. TR-6d74c8e0-87d2 and No. TR-01093ac3-6a61 The following is an example of the details, namely: <ul style="list-style-type: none"><li>• Shipping Announcement with Transaction No. TR-6d74c8e0-87d2.</li><li>• CSPK products from PTPN V – Sei Intan POM amounted to 167.96 MT.</li><li>• The buyer is PTPN V – Tandun Palm Kernel Oil (One ownership entity, namely PTPN V).</li><li>• Freight Information for Delivery (Bill of Lading) on December 17, 2022.</li><li>• The first CSPK delivery will be on September 22 2022 and the last CSPK delivery will be on September 30 2022 (more than 3 months since the first and last delivery with the publication of the Shipping Announcement).</li><li>• Shipping Announcement was made on March 21, 2023 and was confirmed by the buyer on March 28, 2023.</li></ul> Based on the explanation above, it is known that the Shipping Announcement made by Sei Intan POM has exceeded the 3-month period after delivery (September 2022 to March 2023 or more than 3 months). <u>Non-Conformance Description (filled by auditor):</u> Based on the evidence mentioned above, Mill has not fully implemented the transaction registration provisions in accordance with applicable regulations, starting from making a Shipping Announcement which must not be more than 3 months after delivery and removing all stock of RSPO certified products which are sold through other schemes or conventional means. In the ASA-3 assessment, this indicator has become a Major nonconformity and in the current ASA-4 assessment this has again become a Major nonconformity. Based on this, the Auditor Team recommended that an Immediate Suspend Certificate be carried out.					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"><li>• The delay in shipping announcements was caused by delays on the part of PKO Tandun who received the PK and processed the PK into PKO in submitting the Minutes document to the Logistics Section of the director's office and marketing holding.</li></ul>					

<ul style="list-style-type: none"> <li>Removing PK was carried out late due to an error in inputting the Mass Balance report and an error on the part of PTPN Marketing Holding as the party that had authorization and access to palm trace when carrying out the removal.</li> </ul>	
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>The Marketing Logistics Section of the Director's Office has issued a Memo of confirmation to the PKO Tandun Unit and all PKS regarding the submission of documents for inputting shipping announcements.</li> <li>Remove PK was carried out on June 5 2023 amounting to 244.07 MT. (attached proof of removal).</li> </ul>	
<b>Corrective Action (filled by organization audited):</b> Re-socialize SOP-PST-12 regarding traceability procedures to all PKS and PKO production units.	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification date 07 June 2023.</b> The company has determined the root of the problem, corrective and corrective actions related to non-conformities that arise when audit activities are carried out. The company has also shown some evidence of improvement, namely: <ul style="list-style-type: none"> <li>Memo No. G-5.PLP/M/147/VI/2023 dated 05 June 2023 from the Head of Procurement, Logistics and Marketing of the Directors and Holding Office to all PKS and Plantation Managers (one of which is the Sei Intan Estate Unit and Sei Intan POM) regarding Limits Delivery Time for Shipping Announcement Documents in accordance with SOP-PST-12. In the memo, the marketing team stated that to ensure that there are no further delays in Shipping Announcements that occur, the unit is advised to immediately report notification of proof of delivery of RSPO certified products to the Directors' and Holding's offices, provided that it is not later than 3 months from the time the delivery was made. . Apart from that, the Manager is also responsible for ensuring that the appointed SCCS PIC is not late in submitting and reporting the required data.</li> <li>The company also showed a mass balance document that had been updated and previously corrected for the period May 2022 – April 2023 along with removing stock that had previously been missed.</li> <li>Internal Memo No. U-5 SIN/M/37/VI/2023 dated 06 June 2023 concerning Re-Checking Mass Balance Reports, which explains the procedures for ensuring that there are no mass balance reports that are mistaken with actual data.</li> <li>Socialization Document Memo No. G-5.PLP/M/147/VI/2023 and SOP-PST-12 concerning Traceability Procedures for PICs at PKS/PKO related to SCCS and especially those related to the Shipping Announcement issuance process on 05 June 2023</li> </ul> <p><b>Based on the evidence of improvement mentioned above, this nonconformity is declared to have been fulfilled and will be observed again during the next assessment.</b></p>	
Verified by	: Rindu Galih Rezza Rachmansyah



<b>NCR No.</b>	<b>:</b>	<b>2023.4</b>	<b>Issued by</b>	<b>:</b>	<b>Erika Lucitawati</b>
<b>Date Issued</b>	<b>:</b>	<b>02 June 2023</b>	<b>Time Limit</b>	<b>:</b>	<b>31 August 2023</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor raised to Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>31 August 2023</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.2.7</b> <b>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.</b>			
<b>Evidence observed (filled by auditor):</b> <p>The company shows again the harvest employee fulfillment program document from 2022-2025 as a corrective action on non-conformance of indicator 6.2.7 in the ASA-3 assessment. Based on the document, the number of employees who will be gradually appointed as permanent employees will be 19 people in 2023, 15 people in 2024 and 23 people in 2025 for a total of 57 people.</p> <p>Based on document verification on ASA-4, several things were found, including the following:</p> <ul style="list-style-type: none"> <li>Based on the employee list document for Sei Intan Estate for April 2023 period, it was informed that there were 75 temporary work agreement for harvesters. There was an increase in the number of temporary work agreement for harvesters from 2022 to 2023 as many as 18 workers. For example, temporary work agreement for harvester with contract No. G-5.SDM/SPER/3136/XII/2022 for period of January 1-December 31, 2023.</li> <li>Based on Memo No. G-5.SDM/AB/M/68/V/2023 dated May 19, 2023 from Head of HR Department, it was informed that 12 temporary work agreement for harvesters for Sei Intan Estate would be appointed as KNG (non-group worker). Thus, based on the list of employees at Sei Intan Estate for the period May 2023, temporary work agreement for harvesters for May 2023 harvest was 62 people.</li> <li>Based on document of Harvester Requirement of Sei Intan Estate 2023, it is stated that the need for harvesters is 121 workers with the number of harvesters at the time of application as many as 121 people (own worker: 10 workers, KNG (non-group worker): 48 workers and temporary worker: 62 workers) so there is still a shortage of 1 worker. The company currently has not been able to meet the target needs for harvesters in accordance with the Harvester Requirement of Sei Intan Estate 2023, but company in this need include temporary workers (harvesting work is permanent work so temporary workers cannot do it).</li> <li>Based on the labor registration documents to Riau Province Manpower and Transmigration Agency, it was informed that there were 7 harvest temporary workers who were employed starting March 10, 2023.</li> </ul> <p>Based on the applicable regulations related to the type of work that can be employed for temporary workers, as explained in the following regulations:</p> <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 PKWT 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> <p><b>Non-Conformance Description (filled by auditor):</b>  Thus, the company has not been able to show consistency in accordance with the corrective actions given for nonconformity in the ASA-3 assessment related to workers with temporary workers status in accordance with applicable regulations (Law No. 13 of 2003 and Government Regulation No. 35 of 2021) especially related to types of work that can be employed for temporary workers.</p> <p><b>Root Cause Analysis (filled by organization audited):</b>  The Sei Intan Estate Unit has not carried out an analysis of PKWT workers who are used as continuous workers and main jobs.</p> <p><b>Correction (filled by organization audited):</b>  The Sei Intan Estate Unit immediately wrote a letter requesting the appointment of PKWT employees as permanent employees.</p>					

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

The Consistent Unit evaluates PKWT *Panen* workers and does not appoint PKWT employees for permanent work (*Panen*)

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 08 August 2023**

The company shows proof of repair documents as follows:

- Based on the Sei Intan Harvester Needs document which was determined on 30 June 2023, it was informed that the need for harvesters was 121 people with the number of harvesters at the time of application being 119 people (TS: 9 people, KNG: 48 people and PKWT: 62 people) so there are still short of 2 people. The company is currently unable to meet the target needs for harvesters in accordance with the 2023 Harvester Requirements, but the company in these requirements includes PKWT workers (harvest work is permanent work so it cannot be done by PKWT).
- Based on Memo No. G-5.SDM/AB/M/68/V/2023 dated 19 May 2023 from the Head of the HR Department, it was informed that there were 12 SIN Plantation PKWT harvesters who would be appointed as KNG. Thus, based on the list of Sei Intan estate employees for the period May 2023, PKWT harvested in May 2023 as many as 62 people. However, until now, the appointment documents for the 12 PKWTs who will be appointed as KNG have not been shown.
- Based on Memo No. G-5.SDM/M/343/VII/2022 dated 18 July 2023 from the Head of the HR Department, it was informed that there were 21 PKWT SIN Plantation harvesters who would be selected as KNG harvesters.
- Based on the harvest employee fulfillment program document from 2022-2025, the number of employees who will be appointed as permanent employees in stages will be 19 people in 2023, 15 people in 2024 and 23 people in 2025 for a total of 57 people. However, the employee list document for May 2023 shows that there are 62 harvest PKWT people, so there is a difference in harvest PKWT of 5 people who have not been included in the program/plan for appointing harvest PKWT.

Apart from that, the company still needs to answer the auditor's response in the root cause analysis and correction column. Thus, the discrepancy in this indicator is declared not yet fulfilled.

**Verification on 30 August 2023**

The company shows proof of repair documents as follows:

- Memo No. 5.SDM/AB/M/15/III/2023 dated 03 March 2023 from SEVP Business Support to the Manager of Sei Intan Plantation and Head of HR regarding the appointment of PKWT Sei Intan Plantation as many as 7 people a.n. Hendra Saputra, Yafao Zai, Anas Prawira, Sunardi, Adi Bing Salamet, David Loventor Sarumaha, and Ngadino.
- Memo No. U-5.SIN/5/SIN/M/V/2023 dated 02 May 2023 from the Manager of Sei Intan Plantation to the Head of Human Resources regarding the request for additional KNG harvesting staff by 33 people in 2023 so that there are no more Sei Intan Plantation harvesting employees PKWT status.
- Memo No. G-5.SDM/AB/M/68/V/2023 dated 19 May 2023 from the Head of the HR Department, it was informed that there were 12 SIN Plantation PKWT harvesters who would be appointed as KNG.
- Memo G-5.SDM/AB/M/417/VIII/2022 dated 21 August 2023 from the Head of Human Resources to the Sei Intan Plantation Manager regarding the need for complete data on PKWT harvesters who will become KNG, such as a recap of afdeling recommendations, KNG assessment per person, and an assessment form for 12 people.
- Recap of the KNG Trial Period Assessment for the period 01 June-31 August 2023, which contained 12 harvesters who were recommended to be appointed as non-grade employees.
- Memo No. G-5/SDM/M/343/VII/2022 dated 18 July 2023 from the Head of Human Resources to the Sei Intan Plantation Manager regarding the selection of prospective KNG harvesters in July 2023 where it is planned to receive 21 KNG people.
- Memo No. G-5.SDM/AA/M/424/VIII/2023 dated 25 August 2023 from the Head of HR to the Manager of Sei Intan Plantation regarding the assignment for psychological assessment of 21 prospective KNG harvest workers which is planned for 10 September 2023.
- Memo No. 5.SDM/AB/M/35/V/2023 dated 31 May 2023 regarding upgrading the status of PKWT workers to non-grade employees (KNG) 01 June 2023 from SEVP Business Support to the Sei Intan Plantation Manager and Head of HR.

Based on the documents above, there are 33 PKWT harvest workers who are being processed for appointment as KNG. However, there are still 42 people (75 PKWT people harvesting in May 2023 minus 33 people being processed to become KNG) PKWT harvest

workers whose appointment time plans have not been shown.

Based on the explanation above, this discrepancy is declared not yet fulfilled.

### Verification on 31 August 2023

The company has sent proof of improvement in the form of a progress plan for increasing the PKWT status of harvesters in Sei Intan Plantation from 2023 – 2025. **Thus, this discrepancy is declared to have been fulfilled.**

<b>Verified by</b>	<b>:</b>	<b>Erika Lucitawati</b>
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<b>NCR No.</b>	<b>:</b>	<b>2023.5</b>	<b>Issued by</b>	<b>:</b>	<b>Affifuddin</b>
<b>Date Issued</b>	<b>:</b>	<b>02 June 2023</b>	<b>Time Limit</b>	<b>:</b>	<b>31 August 2023</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>31 August 2023</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.7.3</b> <b>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>			
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Based on the results of field observations at Sei Intan Estate, workers were found to be using inappropriate Personal Protective Equipment (PPE), for example:</li> <li>3 harvesters interviewed in block J2 Afdeling 3 wear boots</li> <li>2 chemical warehouse officers at the central warehouse wear medical masks</li> <li>3 pesticide applicators interviewed in block H6 Afdeling 2 wear boots</li> <li>Based on the results of field observations at the Sei Intan POM, workers were found to be using inappropriate Personal Protective Equipment (PPE), for example:</li> <li>3 sorting officers, 2 hoisting crane operators, 2 loading ramp operators, 1 clarification station operator and 1 boiler operator wearing boots</li> <li>1 clarification station operator and 2 kernel station operators did not use ear plugs</li> <li>The company shows the Personal Protective Equipment (PPE) Procedure, document number SOP/MR/3.10, revision number 00, effective date 3 January 2023. This procedure explains that the use of Personal Protective Equipment (PPE) must be adjusted to the type of work, the risks that may arise due to work and work location, in accordance with the PPE needs and standard Matrix (DP/MR/7.02) and therefore at each work location and type of work there will be different types of Personal Protective Equipment (PPE) that must be wear, in certain places it is not mandatory use Personal Protective Equipment (PPE) such as in offices, meeting rooms, canteens, places of worship.</li> <li>The company shows the PPE Needs and Standards Matrix, document number DP/MR/7.02, revision number 00, updated on 18 October 2022. This document explains: <ul style="list-style-type: none"> <li>Types of SNI standard safety shoe PPE for harvesting, chemical, fertilizer, EWS, sorting, POM processing, manual maintenance, heavy equipment and dump truck operators as well as FFB loading and unloading personnel and warehouse material management and given to foremen, employees, warehouse workers, heavy equipment and dump truck operators.</li> <li>Types of SNI standard respirator mask PPE for types of work that interact with dangerous and toxic materials and are given to chemist officers, chemist foremen, chemist warehouse clerks.</li> <li>OSHA/ANSI S3 standard ear plug PPE type. 19 EN 352 for types of work that interact with low noise and are given to officers at POM clarification stations, Kernel stations and press stations.</li> </ul> </li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> Based on the explanation above, the company has not been able to show sufficient evidence that workers use Personal Protective Equipment (PPE) in accordance with the established Procedures and Requirements Matrix and PPE Standards.					
<b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Relevant officers do not understand the preparation of a PPE usage matrix according to the needs of each job in their respective fields.</li> <li>POM/ Estate Sei Intan employees' PPE has been distributed in accordance with the PPE needs matrix, but when damage occurs to the PPE, the employee concerned does not report it to management so that on his own initiative the employee makes a replacement that does not comply with the PPE needs matrix, such as warehouse staff who should use respirators. However, due to the damage, the officers took the initiative to use medical masks. Then the earplugs were not used because the earplugs</li> </ul>					

that had been distributed by the company were lost by the operator.

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

- The Sei Intan Estate Unit immediately held a meeting regarding changes to the PPE Requirements Matrix and identified potential dangers and risks regarding changes to the PPE requirements matrix according to work in their respective fields.
- Create monitoring data such as housekeeping.
- Make a daily checklist for using PPE every day (in August), the column is shoes. The attachment is IBPR.
- The determination is based on the work environment, if the work environment is watery and oily then the PPE given is AP Boots
- Officers' inappropriate PPE has been withdrawn and replaced using the PPE requirements matrix. PPE in the form of respirators has been handed over to warehouse staff, as well as ear plugs have been given to clarification officers and kernels have been given ear plugs.
- Meanwhile, for the use of safety shoes, officers in Afdeling (harvesting, spraying, and maintenance) are wearing AP Boots.
- A checklist for monitoring has been implemented by looking at the completeness and type of PPE used.
- The PPE requirement matrix has been revised by adjusting the types of PPE such as separating AP boots from leather safety shoes. (attached is a revised list of PPE requirements).

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

- Relevant Officers must be consistent in carrying out inspections of PPE Needs and consistent in disseminating the results of Changes to the PPE Matrix and Identification of Hazards and Risks.
- The officer responsible for this is the P2K3 Secretary and his Deputy.
- Monitoring is carried out by checking every day before entering the work location by the Assistant and Foreman (during the morning roll call) with a checklist that has been prepared and has appointed a PIC for K3 supervision (Safety Officer), (sk and checklist attached).
- The appointment decree for safety officers has been issued by Sei Intan Plantation/ POM management with No. SK No.004/Manager-kebun-PKSIN/VII/2023 dated 25 July 2023.
- PPE monitoring is carried out routinely using checklist tools. When the worker will start work by checking the suitability of the PPE worn by the worker. If the worker does not wear PPE according to the checklist, the worker will not be allowed to enter the work location before completing the PPE.
- Attached is a Monitoring form for the use of PPE and a Decree for the Appointment of the person who will monitor the use of PPE at the Sei Intan Estate/POM.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification date 09 August 2023**

The company shows evidence of improvement as follows:

- PPE Requirements and Standards Matrix Document for PT Perkebunan Nusantara V Sei Intan Plantation Unit, document number DP/MR/7.02, No. Revision 01, effective date 1 October 2019, updated on 9 June 2023 and signed by the Chair of P2K3. The document explains the type of PPE, standards, job descriptions, information and others. For example, namely:
  - Types of PPE AP Boots are given to harvest employees, maintenance officers and personnel in afdeling.
  - Types of PPE Safety Shoes & AP Boots are provided for sorting work, PKS processing, heavy equipment and dump truck operators as well as FFB loading and unloading workers, CPO and PK transportation and material management in warehouses.
  - Respirator Mask PPE type is given to chemist officers, chemist foremen and chemist warehouse clerks.
  - Ear Plug type of PPE is given to officers at clarification stations, kernel stations and press stations.
- Proof of submission of K3 Policy, IPBR and P2K3 Meeting documents, to Afdeling I, II, III and IV, Plantation Office, Engineering Office, Processing Section I, Processing Section II, Quality Assurance and Engineering Office on June 10 2023.
- List of Potential Hazard Identification and K3 Risk Assessment documents for PT Perkebunan Nusantara V Sei Intan Plantation Unit, document number FOR/K3/06, No. Revision 01, effective date 1 October 2019, updated on 9 June 2023 and signed by the Chair of P2K3. This document includes explaining the name of the activity, the main stages of the activity, potential dangers, mechanisms for possible undesirable events, consequences, controls that have been implemented, risks, risk assessments and others. For example, for harvest control activities that have been carried out include the use of PPE boots.

- List of Potential Hazard Identification Documents and Initial Risk Assessment of PT Perkebunan Nusantara V Sei Intan PKS Unit, document number FOR/MR/3.03, No. Revision 00, effective date 1 August 2018. This document includes explaining the name of the activity, operations, activities, activity stages, raw materials/work materials, potential hazards, possible undesirable events, consequences, current controls, initial risk assessment and other.

### Verification date 30 August 2023

The company shows evidence of improvement as follows:

- PPE Distribution List Document dated 27 July 2023 in the form of 16 ear plugs and 1 respirator to operators and assistant operators at boiler stations, clarification stations, kernel stations and warehouse staff.
- Photos of the use of PPE ear plugs and respirators by workers.

### Verification date August 31, 2023

The company shows evidence of improvement as follows:

- PPE Requirements and Standards Matrix Document for PT Perkebunan Nusantara V Sei Intan Plantation Unit, document number DP/MR/7.02, No. Revision 01, effective date 1 October 2019, updated on 30 August 2023 and approved by the Chair of P2K3. The document explains the type of PPE, standards, job descriptions, information and others. For example, namely:
  - AP Boots type of PPE is given to harvest employees, maintenance officers, FFB loading and unloading personnel and personnel in afdeling as well as LA/IPAL officers.
  - Types of PPE Kiulit Kings Safety Shoes or similar are provided for sorting work, clarification of PKS processing, heavy equipment and dump truck operators as well as FFB loading and unloading workers, CPO and PK transportation and material management in warehouses as well as engineering mechanics.
  - Respirator Mask PPE type is given to chemist officers, chemist foremen and chemist warehouse clerks.
  - Ear Plug type of PPE is given to officers at clarification stations, kernel stations and press stations.
- Sei Intan PKS PPE Checklist Document, which explains the name, part of the PPE provided and the results of checks per day.
- Photo of PPE inspection in Afdeling during the morning briefing on August 23 2023.
- Decree No. 004/ Manahger – Kebun SIN/ VII/2023 concerning Person in Charge of K3 (Safety Officer) PT PN V – Kebun Sei Intan, dated 25 July 2023, which appointed Wahyu Utomo as Secretary of P2K3 and Hamdan Deputy Secretary of P2K3.
- Monitoring photos of PPE at PKS such as wearing AP Boots by LA officers, wearing AP Boots by clarification station operators and monitoring the use of PPE by employees during the morning briefing.

Based on the analysis of the root of the problem presented, evidence of improvement shown and corrective actions taken, this nonconformity is declared fulfilled and the consistency of implementation will be observed again in the next assessment.

Verified by	:	Afiffuddin
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**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	<p><b>The unit of certification complies to relevant regulations</b></p> <p>The company shows a Certificate from PT Patrari Jaya Utama (PJK3), No. 1558/SKT/PJU/V/2023, dated 29 May 2023, which explains that there are 24 PT PN V boiler operators (including PKS Sei Intan operators) who have participated in the Class II Boiler Operator Development and Certification – Indonesian Ministry of Manpower, dated 23 – 27 May 2023, which was declared passed. Regarding certificates and licenses, they are currently still in the process of being issued at the Indonesian Ministry of Manpower.</p> <p>Based on this explanation, the company has the opportunity to ensure the issuance of boiler operator certificates and licenses which are currently being processed at the Indonesian Ministry of Manpower.</p>
2	3.4.2	<p><b>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</b></p> <p>From the results of the auditor's verification, the Company has several documentary evidences as follows:</p> <ul style="list-style-type: none"> <li>- Social Impact Assessment (SIA) document in the plantation area of SBU Sei Rokan PT Perkebunan Nusantara V (Persero) Rokan Hulu Regency, Riau Province. The document has informed the study villages, namely Kembang Damai Village and Kota Lama. The company also has a social management plan in 2023 which will be implemented in Kembang Damai Village and Bukit Intan Makmur Village.</li> <li>- Document review on social management plan study in the Sei Rokan Group plantation area in 2022 West District PT. Perkebunan Nusantara V, Kampar Regency and Rokan Hulu Regency, Riau Province. The social management plan has been carried out in a participatory manner by holding meetings directly with external stakeholders and carrying out FGDs with internal stakeholders.</li> <li>- The social management plan document for the 2023 period made on January 7, 2023. In the social management plan there are already managed impacts such as planning to stabilize the Sei Intan plantation area, following up on problems in the surrounding environment, planning maintenance and repair of the lake in around, planning programs and implementing CSR funding assistance and so on.</li> </ul> <p>Based on the results of the document review, companies can improve their performance in social impact management, namely:</p> <ol style="list-style-type: none"> <li>1. Carry out social impact management in accordance with the villages affected by the results of the SIA study, namely the Kota Lama.</li> <li>2. Conduct stakeholder mapping with a wider scope, for example: <ul style="list-style-type: none"> <li>- External stakeholders with attention to local communities, migrant communities, women, plasma representatives, religious leaders, contractors, local suppliers.</li> <li>- Internal stakeholders such as new workers, old workers, local workers, migrant workers, contractor workers.</li> </ul> </li> <li>3. Managing outstanding social issues, for example fruit theft, land disputes, restrictions on receiving FFB from suppliers, and so on.</li> </ol>
3	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.</b></p> <p>Based on the results of the visit to the WWTP, it was found that the WWTP pond was full with a height of <math>\pm 10</math>cm from the ground, for example in pools number 3 and 4. This could have the potential for pond water</p>

	<p>seepage and environmental pollution.</p> <p>From the results of interviews with WWTP officers that this situation has been going on for 6 months and the results of interviews with the company's PIC that pool washing activities are carried out once a year.</p> <p>The company shows a management plan for the condition of the pond by dredging the WWTP pond from 01 July 2023 to 01 August 2023. In addition, the company also shows the budget for cleaning the pond contained in the document Mapping General Costs and Costs for TM-Palm Oil Palm Preparation which was signed by the Manager of Kebun Sei Intan.</p> <p>The company has the opportunity to ensure that the management of the WWTP pool is in accordance with the management plan it has.</p>
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#### 3.4.4. Noteworthy Positive Components

No	Description
1	Commitment to implement the principles of sustainable palm oil management
2	Good cooperation with the accompanying team
3	No longer use pesticides with the active ingredient Paraquat
4	Has received ISCC, ISPO, ISO 9001, ISO 14001 and SMK3 certification

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Environment Agency</b> <ul style="list-style-type: none"> <li>There is no information or complaints related to environmental pollution.</li> <li>Mandatory reporting has been done in an orderly manner.</li> <li>All permits are still valid.</li> <li>There is no fire issue in the company.</li> <li>It is recommended to provide productive plant seeds (annual fruits) to the community.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>
<b>Livestock and Plantation Agency</b> <ul style="list-style-type: none"> <li>There is a dispute with the Banjaladang Group for an area of approximately 300 ha (related to plasma) which is currently being processed at the Regional Government.</li> <li>Facilities and infrastructure for controlling fires and controlling plant pests are sufficiently good.</li> <li>There were no public complaints regarding pests.</li> <li>It is recommended to provide guidance or counseling related to agronomy and provision of seeds to the community.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>
<b>Labour Agency</b> <ul style="list-style-type: none"> <li>Collective labour Agreement must be socialized to workers.</li> <li>Trade Unions must report to the agency if there is a change in the organizational structure</li> <li>There was no report regarding industrial relations issues.</li> <li>Permanent work such as harvesting may not be carried out by workers with a certain time agreement if the conditions are not fulfilled in accordance with PP 35 of 2021.</li> <li>LKS bipartite must be reported every 6 months.</li> <li>All workers must be included in the BPJS program.</li> <li>There are no issues or reports regarding overtime payments.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>
<b>National Land Agency</b> <ul style="list-style-type: none"> <li>Issues related to the management of disputed areas by the Banjaladang Group. So far, BPN has stated that the problem has narrowed and is almost over. Just waiting for the agreement of both parties.</li> <li>Reporting of HGU Utilization Reports has been carried out in an orderly manner.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>
<b>PT Romo Razun (Replanting contractor)</b> <ul style="list-style-type: none"> <li>Constrained in completing the work agreement letter because there is an area that is being disputed.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• There were no complaints against the agreement stated in the work agreement.</li> <li>• It has also been agreed regarding the rights and obligations of contractors such as regarding the provision of PPE, involving workers in the BPJS program, compliance with minimum wage regulations and others.</li> <li>• Socialization has been given regarding company policies and the RSPO.</li> <li>• The company checks the completeness of the Operation Permit.</li> <li>• The company area is relatively flat.</li> <li>• Management of hazardous and toxic waste is the responsibility of the contractor.</li> <li>• Has received socialization regarding areas that are prohibited for replanting.</li> </ul>	
<b>PT Palma Abadi Transindo (Tranporter)</b> <ul style="list-style-type: none"> <li>• The new collaboration lasted approximately 1 year.</li> <li>• There were no complaints about the cooperation agreement</li> <li>• Prices and payments are in accordance with the agreement</li> <li>• Contractor workers (drivers) are required to use PPE, are not allowed to bring children and others.</li> <li>• The factory checks the completeness of the contractor worker license (driver).</li> <li>• BPJS participation and payment of wages according to applicable regulations.</li> <li>• Socialization has been given regarding company policies and the RSPO.</li> <li>• Good road condition.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>
<b>FFB Supplier "Muchtar"</b> <ul style="list-style-type: none"> <li>• Cooperation has been going on since 2009.</li> <li>• The price set by the factory is quite competitive with other factories.</li> <li>• There are no complaints regarding payments.</li> <li>• Price changes are informed within the factory.</li> <li>• PPE must be provided by the FFB supplier</li> <li>• Good road condition.</li> <li>• Socialization has been given regarding company policies and the RSPO.</li> <li>• There are several farmers' areas that have been checked and their coordinates taken. However, there are still some who haven't.</li> <li>• Work agreements with FFB supplier workers are made verbally only.</li> <li>• Wages are given without a slip and the value depends on the FFB sent to the POM (Transport TBS).</li> <li>• Contractor workers have not been included in BPJS.</li> </ul>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>The perceived complaint is that the FFB that is supplied depends on the quota/quota that is informed daily by the POM.</li> </ul>	
<b>Labor Union Sei Intan Unit</b> <ul style="list-style-type: none"> <li>The company has provided PPE and wages in accordance with applicable regulations.</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> <li>There is no work accident in 1 year period.</li> </ul>	<p>The auditor has verified employment-related matters and has been further explained in indicator 6.2.2.</p>
<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> </ul> <p>So far, there have been no complaints related to the FFB price or FFB payments made by the company.</p>	<p>There are no negative issues from the resource person.</p>
<b>PT Sipakko Jaya Abadi (PK Transport Contractor)</b> <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>PPE for workers is provided by the contractor.</li> </ul>	<p>There are no negative issues from the resource person.</p>
<b>Issues from online media:</b>  <a href="https://www.riamerdeka.com/read-11241-2023-03-29-perumahan-karyawan-ptpn-v-sei-intan-kumuh-.html">https://www.riamerdeka.com/read-11241-2023-03-29-perumahan-karyawan-ptpn-v-sei-intan-kumuh-.html</a>  <p>The news published on March 29, 2023 informed that the housing for employees of Division I of Sei Intan Estate is in poor condition and needs to be renovated. This can be seen from the condition of the roof, bathroom door, floor and bathroom walls which seem rundown. The well water used by employees is also considered inappropriate. The General Assistant (<i>Asum</i>) of PT Perkebunan Nusantara V Sei Intan said that his party was gradually renovating</p>	<p>Based on the responses from management representatives, the empty and seemingly unkempt house presented in the photo is an empty house that is no longer inhabited. This is because many employees have retired and the empty houses have not been repaired waiting for confirmation from the Office of the Board of Directors, while the employees' houses are still in good condition and maintenance of the houses is still going according to the</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
PT Perkebunan Nusantara V Sei Intan's Division 1 employee housing for the welfare of employees.	Company Work Plan and Budget. This is shown in the Minutes of Engineering Work Inspection document from CV Citra Mandiri Sejahtera (house construction contractor) No. U-5.SIN/BA-PTT/85/IX/2022 dated 15 September 2022 which informed that there was a renovation of 3 units of houses in Sei Intan Estate. Plans for house renovations in 2023 are also indicated in the 2023 Work Plan and Company Budget document which informs plans for renovating 7 houses in 2023.
<b>PT Jaya Wira Manggala</b> <ul style="list-style-type: none"> <li>There were no problems while establishing a cooperative relationship with the company.</li> <li>There are 30 security workers working in the Sei Intan unit.</li> <li>PT Jaya Wira Manggala already has work agreement documents with each employee.</li> <li>PT Jaya Wira Manggala has paid for workers' health insurance such as BPJS Employment and BPJS Health.</li> <li>PT Jaya Wira Manggala has received a job evaluation from the Sei Intan unit.</li> <li>There are no employees who work under the age of 18.</li> </ul>	There are no negative issues from the resource person.
<b>Committee Gender</b> <ul style="list-style-type: none"> <li>The gender committee has a work program for 2023.</li> <li>The gender committee has carried out socialization on the prohibition of violence and sexual harassment to workers in the company unit.</li> <li>There were no complaints or complaints related to acts of violence or sexual harassment.</li> <li>The established organizational structure has combined women and men.</li> </ul>	There are no negative issues from the resource person.
<b>Gemah Ripah Cooperative</b> <ul style="list-style-type: none"> <li>The company has cooperated well with KUD Gemah Ripah.</li> <li>The price for FFB paid is in accordance with the price set by the Plantation Office.</li> <li>From the cooperation agreement that has been established, the KUD has understood the contents of the contract and it is felt that there is no harm to the KUD Gemah Ripah.</li> <li>The company has carried out socialization of the RSPO</li> <li>KUD Gemah Ripah wants to participate in RSPO certification activities, but does not yet know clearly what the requirements are, procedures for certification and so on.</li> <li>The company only socializes the principles and criteria of the RSPO.</li> </ul>	There are no negative issues from the resource person.



Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>PT Mujur Karya Sentosa (FFB Transporter)</b></p> <p>The transporter has collaborated with the company for 3 years since 2020. There is a work agreement between PTPN V – Sei Intan and the transporter which is still active and ends in 2024. Currently the transporter has facilitated its workers for OHS completeness such as helmet and safety boots. Payment for work completion is always made regularly and on time by the company. Routine evaluation is also carried out on OHS performance and compliance by transporters.</p> <p>Currently there are around 18 workers working with transporters for FFB transportation activities and only about 4 workers have been registered with BPJS, while the other workers are still in the registration process. From this number of workers, none of the workers already had a written work agreement (employment relationship) with the transporter.</p>	<p>In general, related to obligations in fulfilling work agreements which are the obligations of the company have been fulfilled, such as the timeliness of payment and the suitability of the amount of payment has been carried out properly.</p> <p>Related to the fulfillment of relevant regulations by the transporter in accordance with the provisions contained in the work agreement between the company and the transporter will be explained further in criterion 2.2.</p>
<p><b>Bukit Intan Makmur Village.</b></p> <p>Communication relations between the village and the community and the company over the past year have been quite good. Assistance from the company in the form of CSR was also well received by the village and community. One of them is assistance for the construction of Madrasah in 2022.</p> <p>During the last year there were also no incidents of land disputes/claims, fires, harassment/immoral acts, child labour, or environmental pollution that occurred/caused by the company's operational activities. The village administration also received the development of a plasma plantation from the company during the previous transmigration era and when it was managed by the Intan Makmur Cooperative.</p>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>
<p><b>Rimba Jaya Village.</b></p> <p>Communication relations between the village and the community and the company over the past year have been quite good. Assistance from the company in the form of CSR was also well received by the village and community. One of them is assistance for borrowing heavy equipment for road repairs which will be given in May 2023.</p> <p>During the last year there were also no incidents of land disputes/claims, fires, harassment/immoral acts, child labour, or environmental pollution that occurred/caused by the company's operational activities. The village administration had also received the development of a plasma plantation from the company during the previous transmigration era and when it was managed by the Gemah Ripah Jaya Cooperative.</p>	<p>There were no issues or events that required further verification from the results of interviews with stakeholders.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Kota Lama Urban Village.</b></p> <p>Communication relations between the urban village and the community and the company over the past year have been quite good. Assistance from the company in the form of CSR was also well received by the urban village and community. One of them is assistance for borrowing heavy equipment and construction costs for public facilities.</p> <p>During the last year there were also no incidents of fire, harassment/immoral acts, child labour, or environmental pollution that occurred/caused by the company's operational activities. In 2022 there will be land disputes that occur between the urban village community and the company. The dispute is over the company's HGU land (HGU Certificate No. 5 covering an area of 357 Ha) with the Banja Ladang Sialang Pasunga Group (Kota Lama cooperative). The information is that this land dispute has been facilitated by the Regional Government of Rokan Hulu Regency and the National Land Agency. As a result, until now the dispute has not been resolved and is still in the negotiation stage which will later be submitted to the Regional Government of Riau Province.</p>	<p>The explanation has been described in Criteria 4.8.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table><tr><td><p>PT Perkebunan Nusantara V – Sei Intan Management Representative</p><p></p><p><u>Jenny Tarigan</u> 08 September 2023</p></td><td><p>Mutuagung Lestari Lead Auditor</p><p></p><p><u>Moh Arif Yusni</u> 08 September 2023</p></td></tr></table>	<p>PT Perkebunan Nusantara V – Sei Intan Management Representative</p> <p></p> <p><u>Jenny Tarigan</u> 08 September 2023</p>	<p>Mutuagung Lestari Lead Auditor</p> <p></p> <p><u>Moh Arif Yusni</u> 08 September 2023</p>
<p>PT Perkebunan Nusantara V – Sei Intan Management Representative</p> <p></p> <p><u>Jenny Tarigan</u> 08 September 2023</p>	<p>Mutuagung Lestari Lead Auditor</p> <p></p> <p><u>Moh Arif Yusni</u> 08 September 2023</p>		

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Comm	Date of Contact	Response	
						Yes	No
1	Environment Agency	Rokan Hulu Regency	-	Direct Interview	May 30, 2023	✓	
2	Livestock and Plantation Agency	Rokan Hulu Regency	-	Direct Interview	May 30, 2023	✓	
3	Labour Agency	Rokan Hulu Regency	-	Direct Interview	May 30, 2023	✓	
4	National Land Agency	Rokan Hulu Regency	-	By Phone	May 31, 2023	✓	
5	PT Romo Razun (Replanting contractor)	Riau Province	-	By Phone	May 31, 2023	✓	
6	PT Palma Abadi Transindo (Tranporter)	Riau Province	-	By Phone	May 31, 2023	✓	
7	FFB Supplier "Muchtar"	Rokan Hulu Regency	-	Direct Interview	May 31, 2023	✓	
8	Labor Union	Rokan Hulu Regency	-	By Phone	August 2, 2022	✓	
9	PT Sugih Intan Sejati (FFB Supplier)	Rokan Hulu Regency	-	By Phone	May 31, 2023	✓	
10	PT Sipakko Jaya Abadi (PK Transport Contractor)	Rokan Hulu Regency	-	By Phone	May 31, 2023	✓	
11	PT Mujur Karya Sentosa (FFB Transporter)	Rokan Hulu Regency	-	Interview	31-05-2023	✓	
12	Bukit Intan Makmur Village	Rokan Hulu Regency	-	Interview	31-05-2023	✓	
13	Rimba Jaya Village	Rokan Hulu Regency	-	Interview	31-05-2023	✓	
14	Kota Lama Urban Village	Rokan Hulu Regency	-	Interview	31-05-2023	✓	
15	<b>Sei Intan Mill</b> <ul style="list-style-type: none"> <li>• 2 Worker in Workshop</li> <li>• 1 Worker in Chemical Warehouse</li> <li>• 1 Worker in Hazardous Waste Temporary Warehouse</li> <li>• 2 Residents of Housing Complex</li> <li>• 1 Worker in WWTP</li> <li>• 1 Worker in LA</li> <li>• 1 Worker in Housing Complex</li> <li>• 3 Worker in security post.</li> <li>• 1 Sortation Foreman.</li> <li>• 4 Sortation Workers.</li> <li>• 2 Loading Ramp Operators.</li> <li>• 2 Sterilizer Operators.</li> <li>• 2 Press Operators.</li> <li>• 1 Hosting Crane Operators.</li> <li>• 2 Nutt &amp; Kernel Operators.</li> </ul>	Rokan Hulu Regency	-	Direct Interview	May 30, 2023	✓	

	<ul style="list-style-type: none"> <li>• 1 Clarification Operator.</li> <li>• 1 Engine Room Operator.</li> <li>• 3 Boiler Operators.</li> <li>• 3 Emergency Officers.</li> </ul>						
16	<b>Sei Intan Estate</b> <ul style="list-style-type: none"> <li>• 1 Resident of Housing Complex</li> <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>• 2 Land Application Workers.</li> <li>• 1 Upkeep Foreman.</li> <li>• 2 Upkeep Workers.</li> <li>• 1 Spraying Foreman.</li> <li>• 3 Spraying Workers.</li> <li>• 1 Harvesting Foreman.</li> <li>• 1 Harvesting Clerk.</li> <li>• 3 Harvesters.</li> <li>• 1 FFB Driver (Contractor Worker).</li> </ul>	Rokan Hulu Regency	-	Direct Interview	May 30, 2023	✓	
17	PT Jaya Wira Manggala	Rokan Hulu Regency	-	By Phone	May 30, 2023	✓	
18	Committee Gender	Rokan Hulu Regency	-	Direct Interview	May 30, 2023	✓	
19	Gemah Ripah Cooperative	Rokan Hulu Regency	-	By Phone	May 30, 2023	✓	
20	World Wide Fund	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Via email	May 23, 2023		✓
21	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Via email	May 23, 2023		✓
22	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	May 23, 2023		✓
23	AMAN	Indonesia	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Via email	May 23, 2023		✓

**Appendix 2. Assessment Program**

DATE	29 May – 02 June 2023	
PROGRAM (WIB)	CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 29 May 2023</b>		
07.30 – 09.20	<b>Jakarta → Pekanbaru</b>	<b>All Auditor</b>
10.00 – 15.00	<b>Pekanbaru → Site (PTPN V – Sei Intan POM)</b>	<b>All Auditor</b>
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>	<b>All Auditor</b>
<b>Tuesday, 30 May 2023</b>		
08.00 – 12.00	<b>Public Consultation in Rokan Hulu Regency (Environment; Manpower &amp; Transmigration; Animal Husbandry &amp; Plantation; and National Land Agency)</b>	<b>AFF</b>
08.00 – 12.00	<b>Field Observation to Sei Intan Estate:</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and Observation of Workers Facilities (Housing, School, Worship Place).</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> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> </ul>	<b>ELU</b> <b>RIU</b> <b>RIS</b>
12.00 – 14.00	<b>Break/ISHOMA</b>	<b>All Auditor</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, FFB Sorting, Processing Activity, Despatch CPO); Implementation of Employment Procedure and Mechanism Aspect</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> </ul>	<b>RIU &amp; AFF</b> <b>ELU &amp; RIS</b>
16.30 – 17.00	<b>Presentation of Audit Daily Progress</b>	<b>All Auditor</b>
<b>Wednesday, 31 May 2023</b>		
08.00 – 12.00	<b>Public Consultation with Internal Stakeholder (Worker Union, Gender Committee, Worker Cooperative), Surrounding Community, and Contractor.</b>	<b>RIU &amp; ELU</b>
	Document review and completing audit checklist.	<b>All Auditor</b>
12.00 – 14.00	<b>Break/ISHOMA</b>	<b>All Auditor</b>
14.00 – 16.30	<b>Public Consultation, Document Review and Completing Audit Checklist.</b>	<b>All Auditor</b>
16.30 – 17.00	<b>Presentation of Audit Daily Progress</b>	<b>All Auditor</b>
<b>Thursday, 01 June 2023 (Day Off – National Holiday)</b>		
<b>Friday, 02 June 2023</b>		
08.00 – 09.00	<b>Interim Meeting Auditor Team (Closing Meeting Preparation).</b>	<b>All Auditor</b>
09.00 – 10.00	<b>Closing Meeting:</b> <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>	<b>All Auditor</b>



DATE	29 May – 02 June 2023	
PROGRAM (WIB)	CLAUSES TO BE AUDITED	AUDITOR
10.00 – 15.00	Site (PTPN V – Sei Intan POM) → Pekanbaru	All Auditor
17.30 – 19.25	Pekanbaru → Jakarta	All Auditor