

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : PANGKATAN Palm Oil Mill –  
PT PANGKATAN INDONESIA, MP EVANS GROUP Plc.  
Plantation Name : PT PANGKATAN INDONESIA: Pangkatan Estate  
PT SEMBADA SENNAH MAJU: Sennah Estate  
PT BILAH PLANTINDO: Bilah Estate  
Location : Village of Perkebunan Pangkatan, Sub District of Pangkatan, District of Labuhanbatu, Province of Sumatera Utara, INDONESIA  
Certificate Code : **MUTU-RSPO/051**  
Date of Certificate Issue : 19 October 2017      Date of License Issue : 19 October 2017  
Date of Certificate Expiry : 18 October 2022      Date of License Expiry : 18 October 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	4 <sup>th</sup> – 7 <sup>th</sup> September 2017	Yudwi Wisnu Rahmanto (Lead Auditor); Leonada; Afiffuddin; Rizliani Aprianita Hasibuan	Ganapathy Rmasamy	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	12 October 2017

**TABLE OF CONTENT**

<b>FIGURE .....</b>	<b>1</b>
Figure 1. Location Map of PT Pangkatan Indonesia, PT Sembada Sennah Maju, PT Bilah Plantindo (apply with coordinate) .....	1
Figure 2. Operational Map of PT Pangkatan Indonesia (apply with coordinate) .....	2
Figure 3. Operational Map of PT Sembada Sennah Maju (apply with coordinate) .....	3
Figure 4. Operational Map of PT Bilah Plantindo (apply with coordinate) .....	4
Abbreviation Used.....	5
<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT .....</b>	<b>6</b>
1.1 Assessment Standard Used .....	6
1.2 Organisation Information.....	6
1.3 Type of Assessment.....	6
1.4 Locations of Mill and Plantation .....	6
1.5 Description of Area Statement .....	7
1.6 Planting Year and Cycles.....	7
1.7 Description of Mill and Supply Base .....	8
1.8 Tonnage of Product.....	9
1.9 Other Certifications .....	10
1.10 Time Bound Plan .....	10
<b>2.0 ASSESSMENT PROCESS.....</b>	<b>12</b>
2.1 Assessment Team.....	12
2.2 Assessment Methodology, Assessment Process and Locations of Assessment .....	12
2.3 Stakeholder Consultation and Stakeholders Contacted.....	15
2.4 Determining Next Assessment.....	15
<b>3.0 ASSESSMENT FINDINGS .....</b>	<b>16</b>
3.1 Summary of Assessment Report of the RSPO Certification .....	16
3.2 Summary of Assessment Report of Supply Chain Requirements .....	41
3.3 Conformity Checklist of Certificate and Logo Use.....	48
3.4 Summary of RSPO Partial Certification .....	49
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components .....	52
3.6 Summary of Arising Issues from Public and Auditor Verification .....	53
<b>4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY .....</b>	<b>55</b>
4.1 Formal Sign-off of Assessment Findings.....	55
<b>APPENDICES .....</b>	<b>56</b>
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process .....	56
Appendix 2. Assessment Program.....	58
Appendix 3. Peer Review.....	60
Appendix 4. RSPO Certification Panel Committee Decision .....	61
Appendix 5. RSPO P&C Checklist.....	62
Appendix 6. RSPO Supply Chain Requirements Checklist.....	297

### FIGURE

Figure 1. Location Map of PT PANGKATAN INDONESIA, PT SEMBADA SENNAH MAJU, PT BILAH PLANTINDO

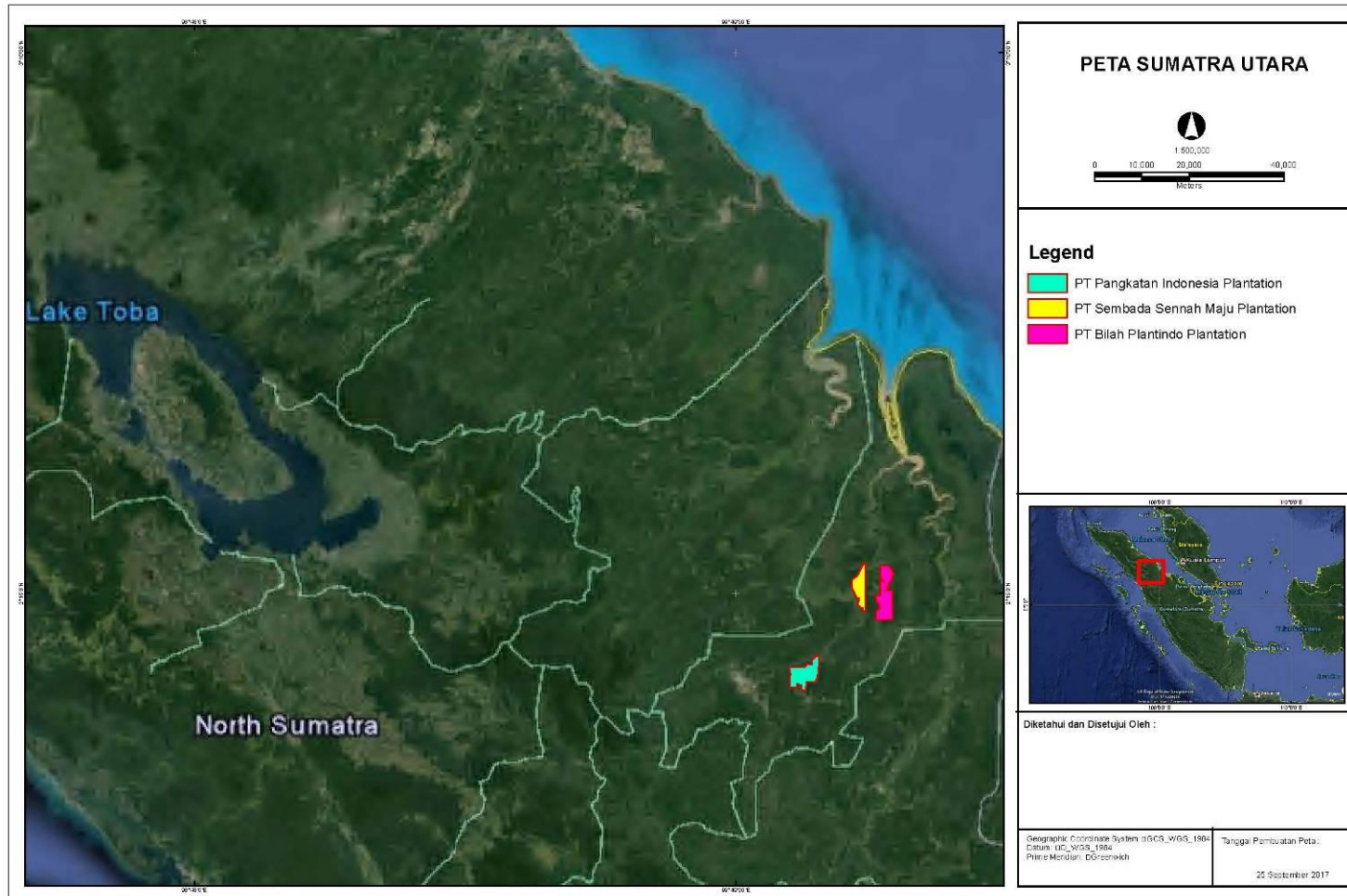
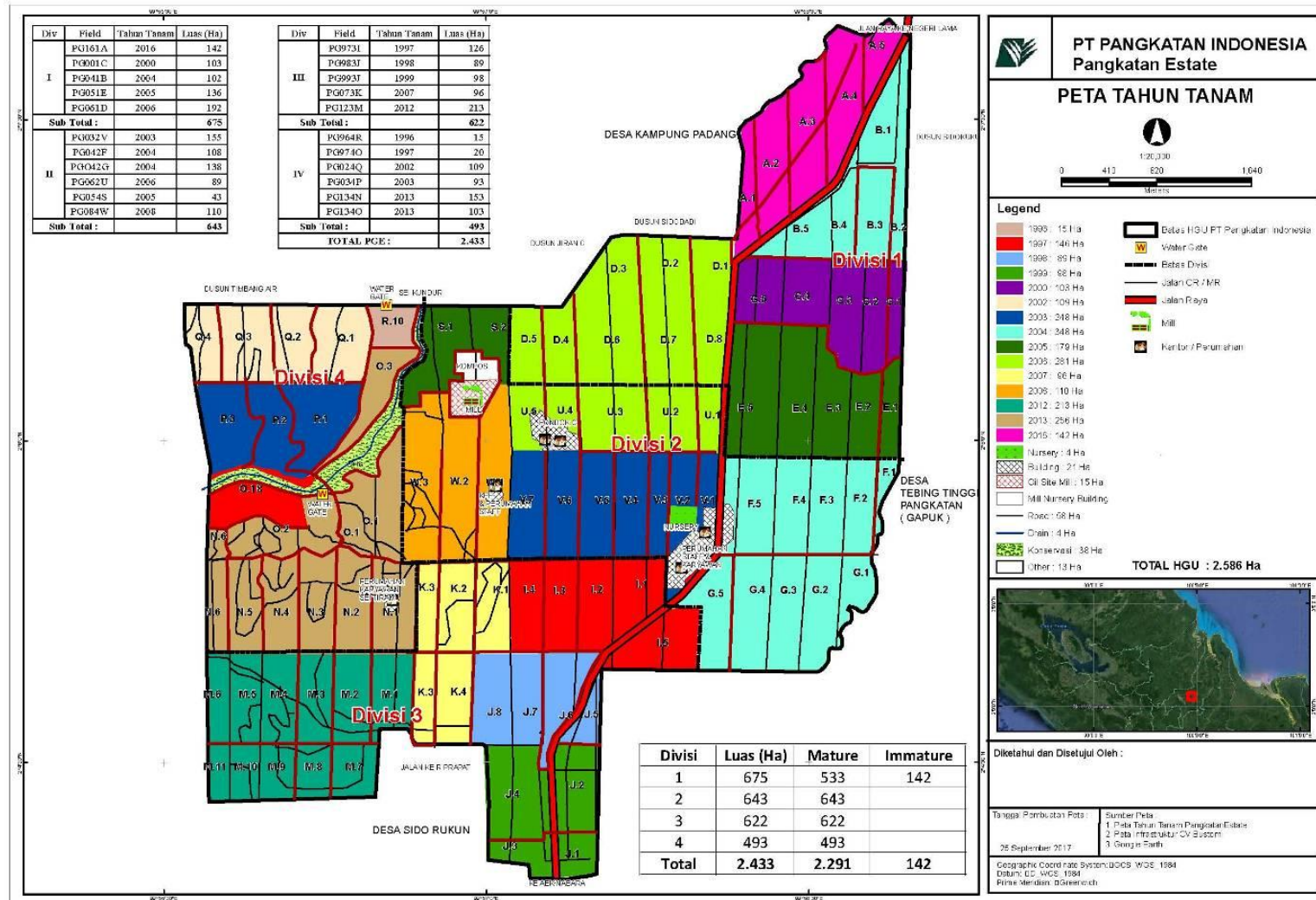


Figure 2. Operational Map of PANGKATAN ESTATE (PT PANGKATAN INDONESIA)



**Figure 3. Operational Map of SENNAH ESTATE (PT SEMBADA SENNAH MAJU)**

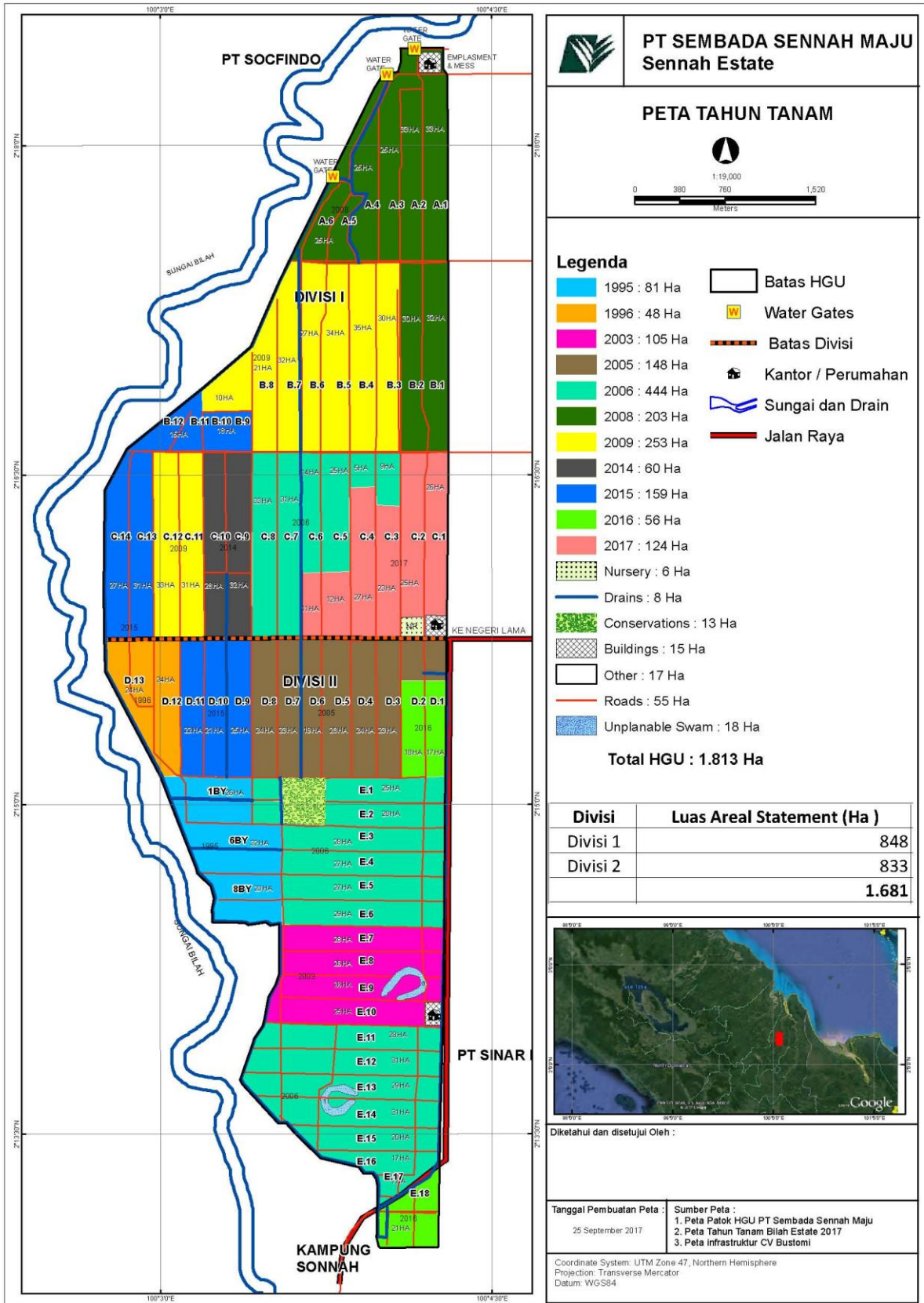
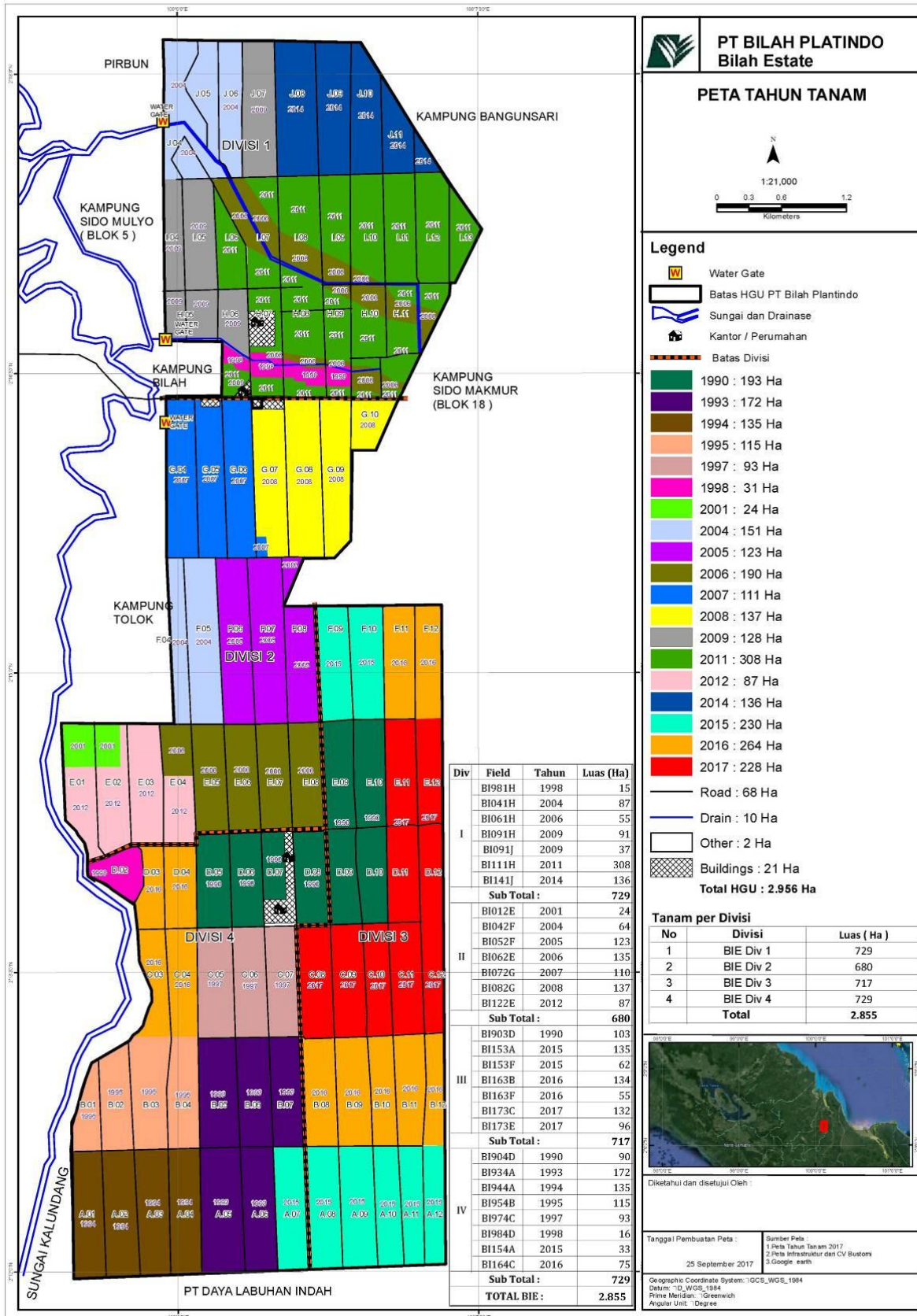


Figure 4. Operational Map of BILAH ESTATE (PT BILAH PLANTINDO)



**Abbreviation Used**

BIE	: Bilah Estate	OHS	: Occupational Health and Safety
BMP	: Best Management Practices	PGE	: Pangkatan Estate
BP	: Bilah Plantindo	PGM	: Pangkatan Mill
CB	: Certification Body	PI	: Pangkatan Indonesia
CPO	: Crude palm oil	PK	: Palm Kernel
CSR	: Corporate Social Responsibility	PLC	: Public Limited Company
EFB	: Empty Fruit Bunches	POM	: Palm Oil Mill
FFB	: Fresh Fruit Bunch	POME	: Palm Oil Mill Effluent
FPIC	: Free, Prior, Informed and Consent	PPE	: Personal Protective Equipment
GHG	: Green House Gas	PT	: Limited Company
HCV	: High Conservation Value	SIA	: Social Impact Assessment
HGB	: Building Use Title/Right	SNE	: Sennah Estate
HGU	: Hak Guna Usaha (Land Use Title/Right)	SOP	: Standard Operations Procedure
IDR	: Indonesian Rupiah	SSM	: Sembada Sennah Maju
ILO	: International Labour Organisation	UKL-UPL	: Environment management and Monitoring Plan
KCP	: Kernel Crushing Plant	UNFCCC	: United Nations Framework Convention on Climate Change
kWh	: Kilowatt hour	WHO	: World Health Organisation
LB3	: Limbah Berbahaya dan Beracun (Hazardous Waste)	WTP	: Water Treatment Plan
LD	: Lethal Dosage	WWTP	: Waste Water Treatment Plant
MSDS	: Material Safety Data Sheet		
NGO	: Non Government Organization		

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>			
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT PANGKATAN INDONESIA - M.P. Evans Group PLC	
1.2.2	Contact person	Abdul Aziz Muhshi (Manager Sustainability & Certification)	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>• RSPO registered company: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan</li> <li>• Liaison Office: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan</li> </ul>	
1.2.4	Telephone	021-52920338	
1.2.5	Fax	021-52920339	
1.2.6	E-mail	azizm@mpevans.co.uk	
1.2.7	Web page address	www.mpevans.co.uk	
1.2.8	Management Representative who completed the application for certification	Abdul Aziz Muhshi (Manager Sustainability & Certification)	
1.2.9	Registered as RSPO member	1-0027-06-000-00, October 08 <sup>th</sup> , 2006	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : <ul style="list-style-type: none"> <li>• Pangkatan POM and Pangkatan Estate (PT Pangkatan Indonesia)</li> <li>• Bilah Estate (PT Bilah Plantindo)</li> <li>• Sennah Estate (PT Sembada Sennah Maju).</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4 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>
	PANGKATAN	Perkebunan Pangkatan Village, Pangkalan Sub District, Labuhanbatu District, Province of Sumatera Utara	N 02° 06' 44"      E 99° 56' 44"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>



		Latitude	Longitude
Pangkalan Estate, (PT Pangkatan Indonesia)	Perkebunan Pangkatan Village, Pangkalan Sub District, Labuhanbatu District.	N 02° 05' 28.925"	E 99° 58' 00.678"
Sennah Estate, (PT Sembada Sennah Maju)	Perkebunan Sennah Village, Bilah Hilir Sub District, Labuhanbatu District.	N 02° 15' 43.038"	E 100° 04' 12.295"
Bilah Estate, (PT Bilah Plantindo)	Perkebunan Bilah Village, Bilah Hilir Sub District, Labuhanbatu District.	N 02° 16' 46.219"	E 100° 06' 22.104"

### 1.5 Description of Area Statement

1.5.1	Tenure	
	• State	7,355 Ha
	• Community	- Ha

### 1.5.2 Area Statement

	PT Pangkatan Indonesia (Ha)	PT Bilah Plantindo (Ha)	PT Sembada Sennah Maju (Ha)	TOTAL (Ha)
• Total area	2,586	1,813	2,956	7,355 Ha
• Planted area	2,433	1,557	2,800	6,790 Ha
• Mature	2,291	2,133	1,342	5,766 Ha
• Immature	142	215	667	1,024 Ha
• Land under preparation	0	124	55	179 Ha
• Nursery	4	6	0	10 Ha
• Roads	58	55	67	180 Ha
• Drains	4	8	10	22 Ha
• Buldings	21	15	22	58 Ha
• Oil Mill Site	15	0	0	15 Ha
• Conservation*	38	13	1	52 Ha
• Unplantable Swamps	0	18	0	18 Ha
• Others	13	17	1	31 Ha

\* Based on HCV Assessment 2011 total HCV Area identified 49.48 ha. Meanwhile, Area Statement period July 2017, total HCV Area approved and managed by this unit is 52 ha. According field observation during Re-Certification there was no reducing of HCV Area identified.

### 1.6 Planting Year and Cycles

#### 1.6.1 Age profile of planting year

Planting Year	Hectarage (Ha)			Total
	PT Pangkatan Indonesia	PT Sembada Sennah Maju	PT Bilah Plantindo	
1990	-	-	193	193.00
1991	-	-	-	0.00
1992	-	-	-	0.00
1993	-	-	172	172.00
1994	-	-	135	135.00

1995	-	81	115	196.00			
1996	15	48	-	63.00			
1997	146	-	93	239.00			
1998	89	-	31	120.00			
1999	98	-	-	98.00			
2000	103	-	-	103.00			
2001	-	-	24	24.00			
2002	109	-	-	109.00			
2003	248	105	-	353.00			
2004	348	-	151	499.00			
2005	179	148	123	450.00			
2006	281	444	190	915.00			
2007	96	-	110	206.00			
2008	110	203	137	450.00			
2009	-	253	128	381.00			
2010	-	-	-	0.00			
2011	-	-	308	308.00			
2012	213	-	87	300.00			
2013	256	-	-	256.00			
2014	-	60	136	196.00			
2015	-	159	230	389.00			
2016	142	56	264	462.00			
2017	-	-	173	173.00			
<b>TOTAL</b>	<b>2433</b>	<b>1557</b>	<b>2800</b>	<b>6790.00</b>			
1.6.2	New Planting area after January 2010	-			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		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Pangkalan	40	172,121.43	39,539.93	22.97	9,750.76	5.67
	<i>*Production data source from September 2016 – August 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pangkalan Estate	2,586	2,433	64,088.78	26.34	64,088.78	100
	Sennah Estate	1,813	1,557	40,208.27	25.82	40,208.27	100

	Bilah Estate	2,956	2,800	53,192.04	19.00	53,192.04	100
	<b>TOTAL</b>	<b>7,355</b>	<b>6,790</b>	<b>157,489.09</b>	<b>23.19</b>	<b>157,489.09</b>	<b>100</b>
<i>*Production data source from September 2016 – August 2017</i>							
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation</b> (RSPO certified / non-certified)	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB</b> (tonnes/year)		
	Ramp AA	Independent supplier	-	-	4,324.16		
	Ramp MT	Independent supplier	-	-	883.21		
	Ramp Naga Tutur	Independent supplier	-	-	1,415.32		
	Ramp AHJ	Independent supplier	-	-	1,157.73		
	Ramp EB	Independent supplier	-	-	6,812.98		
	<b>TOTAL</b>					<b>14,593.40</b>	
<i>*Production data source from September 2016 – August 2017</i>							
1.7.4	Product categories			<b>FFB, CPO, PK</b>			
<b>1.8 Tonnage of Product</b>							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 19 October 2016 to 18 October 2017 (tonnes/year)		Actual certified product 19 October 2016 to 5 September 2017 (tonnes/year)		
	• FFB Production		181,284		132,990.66		
	• CPO Production		42,602		30,816.60		
	• Palm Kernel (PK) Production		9,971		7,858.00		
1.8.2	Product Selling						
	Tonnage of selling product		Actual selling product period 19 October 2016 to 5 September 2017.				
	• CSPO		6,500				
	• CSPK		7,860				
	• CPO under ISCC scheme trading		25,100				
	• CPO under conventional trading (if any)		-				
	• PK under other scheme		-				
	• PK under conventional trading (if any)		-				
<i>*CPO credit allocation for Book &amp; Claim: 1,000 MT (not yet physically sold)</i>							
1.8.3	Estimate of Certified FFB Claim						
	<b>Name of Estate(s)</b>	<b>Total Area</b> (Ha)	<b>Planted Area</b> (Ha)	<b>FFB</b> (tonnes/year)	<b>Yield</b> (tonnes/ha/year)		
	Pangkalan Estate	2,586	2,433	64,089	26.34		
	Bilah Estate	2,956	2,800	40,209	25.82		
	Sennah Estate	1,813	1,557	53,192	19.00		
	<b>TOTAL</b>	<b>7,355</b>	<b>6,790</b>	<b>157,490</b>	<b>23.19</b>		
<i>*Projected FFB production for September 2017 – August 2018</i>							
<i>**Estimate of Certified FFB Claim still the same as the previous period because the certificate holder is still in the process of replanting</i>							

1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>	
	Pangkalan	40	157,490	36,223	23	7,875	5	MB
	<i>*Projected FFB production for September 2017 – August 2018</i> <i>**Estimate of Certified FFB Claim still the same as the previous period because the certificate holder is still in the process of replanting</i>							
<b>1.9</b>	<b>Other Certifications</b>							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			ISCC No. EU-ISCC-Cert-DE119-62164280 with validity period 09 August 2017 to 08 August 2018				
	Others			ISPO Certificate (Indonesian Sustainable Palm Oil) Nomor 824 501 13007 from TUV Rheinland Indonesia with validity period 21 January 2014 to 20 January 2019				
<b>1.10</b>	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>MILL</b>	<b>Time Bound Plan</b>						
	Pangkalan	2012	Pangkalan Estate (PT. Pangkatan Indonesia)	2012	Labuhanbatu, North Sumatera	Certified		
			Sennah Estate (PT. Sembada Sennah Maju)	2012	Labuhanbatu, North Sumatera	Certified		
			Bilah Estate (PT. Bilah Plantindo)	2012	Labuhanbatu, North Sumatera	Certified		
	Bumi Permai	2013	PT. Prima Mitrajaya Mandiri	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Subur Makmur	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Sawit Etam Bersama	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Tanah Sama	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Mitra Sawit Mandiri	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Grenseng Indah	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Maju Membangun	2013	East Kutai, East Kalimantan	Certified		
			Koperasi Sawit Etam Bersama – Tahap II	2019	East Kutai, East Kalimantan	Non-Certified		
			Koperasi Maju Membangun – Tahap II	2019	East Kutai, East Kalimantan	Non-Certified		

		Koperasi Tanah Sama – Tahap II	2019	East Kutai, East Kalimantan	Non-Certified
Rantau Hampang	2019	PT. Teguh Jayaprima Abadi	2013	East Kutai, East Kalimantan	Certified
		Koperasi Karya Bersama	2013	East Kutai, East Kalimantan	Certified
		Koperasi Mitra Sejahtera Abadi	2013	East Kutai, East Kalimantan	Certified
Tengkalat	2017	PT. Gunung Pelawan Lestari	2017	Bangka	Non-Certified (Stage-1)
		Koperasi Ikhtiar Sejahtera	2017	Bangka	Non-Certified (Stage-1)
		Koperasi Silip Lestari	2017	Bangka	Non-Certified (Stage-1)
		Koperasi Mapur Mandiri	2017	Bangka	Non-Certified (Stage-1)
		Koperasi Gunung Muda Sejahtera	2017	Bangka	Non-Certified (Stage-1)
-		PT Evans Lestari	2018	Musirawas, South Sumatera	Non-Certified
-		PT Simpang Kiri Plantation Indonesia	2018	Aceh	Non-Certified
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	Pangkalan POM and its supply bases does not have associated smallholders scheme. FFB non-certified sources are from independent collectors.				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>Re-Cert</b>	<p>1. <b>Yudwi Wisnu Rahmanto (Lead Auditor)</b>. Indonesian citizen graduated as Bachelor of Forestry with major study on Silviculture background in 2006. Previous working experiences i.a: Agronomy Assisstant in one of plantation company for 8 months and pharmacy business for 6 months afterwards. In 2010 began work as auditor in one of international certification body and became as RSPO Lead Auditor in 2013. Several training and audit activities for other certification schemes that have been involved including Organic Standard scheme (JAS, USDA-NOP, EU); Sustainability Coffee (C.A.F.E Practices - Starbucks); Sustainability of Forest Management (FSC-FM/CoC, CW); Sustainability of Oil Palm Plantations (RSPO, ISPO). A preferred aspects during auditing in sustainable certification schemes i.e: Land Tenure, HCV/Conservation, Social Community and Supply Chain. Having communication ability in local language (Javanese, Sundanese), Bahasa Indonesia, Malay and English (moderate fluent). During this audit, he conducted an assessment on HCV and legal.</p> <p>2. <b>Leonada</b>. Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Depelovment Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training General specialist and Health and safety management system (SMK3) Auditor. During this audit , He conducted an assessment on transparency, social and worker welfare.</p> <p>3. <b>Rizliani Aprianita Hsb</b>. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001;2008, ISO 14001;2004, OHSAS 18001, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, she conducted an assessment on GHG and Environmental.</p> <p>4. <b>Afiffuddin</b>. Indonesian citizen, Diploma III majoring Palm Oil Plantation. 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 , Indonesian Sustainable Palm Oil (ISPO), OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015). He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Managemnt Practices aspect, healt and safety aspect and worker welfare aspek. During this audit , He conducted an assessment on long term management plan, BMP and OHS.</p>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>Re-Cert</b>	<p>Number of auditors: 4 auditor          Number of days for Re-Certification at site: 4 days          Number of working days for Re-Certification at site: 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>Re-Cert</b>	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Pangkatan Mill – PT Pangkatan Indonesia to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th

September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

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

Some opportunities for improvement of the results **Re-Cert** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.1**)

Improvement of findings from main assesment findings were observed by auditors at this **Re-Cert** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **Re-Cert**.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>Re-Cert</b>	<p>Management units involved in this activity consists of 3 (three) Estates which supply FBB materials to 1 (one) palm oil mill. In order to conduct the assessment auditor team applies the formula <math>0.8 \sqrt{y}</math> to determine the management units that are being focus of sample locations and takes into account emerging issues considered to be fundamental and critical originate from stakeholders. Based on this formula, auditor team selects 1 palm oil mill (Pangkalan POM) and two Estate (Pangkalan estate and Sennah estate) as the sample locations.</p> <p><b><u>Pangkalan POM (PGM):</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Weighbridge Room.</b> Observation and interview with operator in order to supply chain implementation.</li> <li>2. <b>WTP.</b> Observation of water management and recording water utilization. Flowmeter function properly. PPE is provided for free for operator</li> <li>3. <b>WWTP.</b> Based on field observation in WWTP pond, was not found leaks and overtopping to ditch and rivers</li> <li>4. <b>Chemical warehouse.</b> Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.</li> <li>5. <b>Workshop.</b> Observation and interviews related to hazardous waste management, emergency response facilities, OHS implementation, employment and complaint mechanism.</li> <li>6. <b>Hydrant no. 3.</b> Observation related to emergency response</li> <li>7. <b>Loading Ramp Station.</b> Observations and interviews with officers sorting FFB. Based on the interview, the officer can explain the criteria FFB decent though, demonstrating how sorting FFB, employment aspect, OHS aspect and working procedures specified.</li> <li>8. <b>Sterilizer Station.</b> Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified.</li> <li>9. <b>Pressing Station.</b> Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified.</li> <li>10. <b>Clarification Station.</b> Observation and interviews with station operator clarification regarding employment aspect, OHS aspect and working procedures specified.</li> <li>11. <b>Boiler Station.</b> Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.</li> </ol> <p><b><u>Pangkalan Estate (PGE):</u></b></p> <ol style="list-style-type: none"> <li>12. <b>Block O2/N5 Div-4.</b> Observation of planting management on slope area.</li> <li>13. <b>Block O2 Div-4.</b> Observation of water management (Watergate).</li> <li>14. <b>BPN 17 (Block Q4 Div-4), BPN 19 (Block D4 Div-1), BPN 21 (Block A1 Div-1).</b> Observation of boundaries marking condition.</li> <li>15. <b>Block O3/R10 Div-4.</b> Observation on HCV management area (riparian of Sei Kundur River) and no-replanted crops area as buffer zone.</li> <li>16. <b>Composting area.</b> Based on field observation to the composting area, there are no pollution caused by</li> </ol>

- composting activities
17. **Land Application block V7 division 2.** Mill effluent was applied in the block allowed by related government and there was not pollution
  18. **Housing complex (division 3/4).** Observation of facilities quality provided by company for its employee and interview with childcare worker regarding employment.
  19. **Agrochemical Mixing Station.** Observation and interviews related to OHS implementations (include: eyewash, emergency wash, Hazardous waste symbol, MSDS, PPE, work instruction of agrochemical mixing, Fire Extinguisher), hazardous waste management, employment and complaint mechanism.
  20. **Hazardous Waste Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
  21. **Oil and Agrochemical Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
  22. **Fertilizer Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
  23. **Herbicide Application, Division I, block E3.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
  24. **Harvesting, Division I, block B5.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.
  25. **Manuring, Division III, block M1.** Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
  26. **Nursery, Division II, block V2.** Observation of nursery activities and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
  27. **Owl Nest Box, Division 1, block D3.** Observation owl nest box. Nest box in an active state which there are many former rat bone below the nest.
  28. **New Planting Area, Division 1, block A1.** Observation new planting area which planted in 2016.

**Sennah Estate (SNE):**

29. **Block E13/E14 Div-2.** Observation on HCV management area (freshwater swamp/lowland).
30. **BPN 14 (Block E14 Div-2), BPN 29, BPN 31, BPN 33 (Block A6 Div-1).** Observation of boundaries marking condition.
31. **Block A6 Div-1.** Observation of water management (Watergate) as outlet to Bilah River.
32. **Housing complex (division 2).** Observation of facilities quality provided by company for its employee and interview with childcare worker regarding wage.
33. **Agrochemical Mixing Station.** Observation and interviews related to OHS implementations (include: eyewash, emergency wash, Hazardous waste symbol, MSDS, PPE, work instruction of agrochemical mixing, Fire Extinguisher), hazardous waste management, employment and complaint mechanism.
34. **Hazardous Waste Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
35. **Agrochemical Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
36. **Fertilizer Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
37. **Workshop.** Observation and interviews related to hazardous waste management, emergency response



facilities, OHS implementation, employment and complaint mechanism.

- 38. Housing complex (division 2).** Observation of facilities quality provided by company for its employee and interview with childcare worker regarding employment.
- 39. Landfill block E7 Division 2.** Observation of domestic waste management.
- 40. Herbicide Application, Division II, block D2.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
- 41. Harvesting, Division I, block C7.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.
- 42. Manuring, Division I, block B3.** Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
- 43. New Planting Area, Division 1, block C1-6.** Observation new planting area which planted in 2017.

Stakeholder consultation to be interviewed:

Adjacent villages: Village of Sidorukun and Village of Perkebunan Pangkatan (Pangkatan Estate), Village of Perkebunan Sennah (Sennah Estate).

**Statutory bodies:** Labor Agency, Agriculture Agency, and Environmental Agency.

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>Re-Cert</b>	<p>Consultation of stakeholders for PT Pangkatan Indonesia; PT Bilah Plantindo dan PT Sembada Sennah Maju was held by:</p> <ul style="list-style-type: none"> <li>• Public announcement at web mutucertification.com on 12 July 2017.</li> <li>• Public consultation meeting with local stakeholders conducted by visits to villages (Perkebunan Pangkatan Village, Perkebunan Sennah Village, Sidorukun Village) on September 5-6<sup>th</sup>, 2017.</li> <li>• Public consultation meeting with government agency Labuhanbatu District (Plantation Agency; Labour Agency; National Land Agency; Enviromental Agency) on September 5<sup>th</sup>, 2017</li> <li>• Public consultation meeting with gender committe, labour union, cooperative and local contarctor on September 5-7<sup>th</sup>, 2017.</li> <li>• Public consultation by email with NGO (Sawit Watch, Walhi, WWF, TUK Indonesia) by email on August 28<sup>th</sup>, 2017</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Pangkatan Indonesia; PT Bilah Plantindo dan PT Sembada Sennah Maju.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <b>ASA-1.1</b> ) will be determined one year after this <b>RC</b> .

**3.0 ASSESSMENT FINDINGS**

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

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

During the assessment, there were two (2) opportunities for improvement were identified.

MUTUAGUNG LESTARI found Pangkatan POM – PT Pangkatan Indonesia, MP EVANS Group PLC complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1 Growers and millers provide 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 Minor</b>		
The companies had list of stakeholders such as employees, Government District, Local Communities, Labor union etc. Information (periodic reports) submitted to the Government District related to environment such as mill effluent report, hazardous waste reports, employment reports, health, safety and accident report etc. The officer who responsible for providing information is Head of Administration / Manager. According to interviews with government agencies, local communities and local contractors, they have to know type and how to obtain information from the company.		
<b>1.1.2 Major</b>		
There is a procedure for information and transparency (no SOP. BP / SOP / GENERAL-02 dated 04 September 2013). Any requests for information from stakeholders are recorded on the logbooks of information request stored at the Department of Sustainability and Certification POM and Estate. The information request has been responded in accordance mechanisms established by the companies. It's declared either when interviews with government agencies, local communities and local contractors. The officer who responsible for handling request information is Head of Administration / Manager. Records of requests and responses of stakeholder information is stored at the Department of Sustainability and Certification POM and Estate.		
	<b>Status: Comply</b>	
<b>1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>		
<b>1.2.1 Major</b>		
The companies have list related to shareable information in SOP Information Transparency (PI/SOP/Uмум-02) which explains types of document that can or cannot be transparent, for example documents that can be transparent are UKL/UPL document, SIA document, CSR document and GHG document, etc. The SOP has socialized to related stakeholder and document is stored at the Department of Sustainability and Certification POM and Estate. According to interviews with government agencies, local communities and local contractors, they have been getting socialization and		

information transparency and has to know type and how to obtain information from the company.	
	<b>Status: Comply</b>
<b>1.3</b>	
<b>Growers and millers commit to ethical conduct in all business operations and transactions.</b>	
<b>1.3.1 Minor</b>	
<p>The companies have a code of conduct policy of commitment to ethical conduct in all business operation and transaction in Anti-Bribery and Corruption. The policy was ratified on July 29, 2013 by Managing Director and has disseminated to all employees in Bahasa Indonesia. According to interviews with employees during field visits in the Estate such as harvesting, fertilizer and spray as well as on local contractors, they already know the contents of policy, among others the prohibition of corruption, bribery and drugs.</p>	
	<b>Status: Comply</b>
<b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>	
<b>2.1</b>	
<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	
<b>2.1.1</b>	
<p>Sample of certification units during Re-Certification such as PT Pangkatan Indonesia (Pangkalan Estate &amp; Mill) and PT Sembada Sennah Maju (Sennah Estate) proves its compliance toward the applicable regulations, for example: plantation permit (compliance to the Plantation Act 39/2014 on plantation), land use right license (Compliance to Law No. 5 of 1960 on Main Agrarian Regulations), EIA document, license for Temporary Hazardous Waste Storage, etc. Also, list of international laws are available, such as: ratified of UN Convention on Biodiversity (UU No. 5 Tahun 1994), ratified of ILO No. 105 (UU No. 19 Tahun 1999), ratified of UNFCCC (UU No. 6 Tahun 1994), etc. Copies of laws and regulations are stored in the office of each unit. Based on interviews with relevant statutory bodies in District of Labuhanbatu (Plantation Agency, Labour Agency, Environment Bodies and the Land Office), it is noted that the management unit has been complied with the regulations related to their business.</p>	
<p>The compliance to the Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations:</p> <ul style="list-style-type: none"> <li>- Registration of Plantation Business License No. 211 / Menhutbun-VII / 2000 dated March 10, 2000 for PT Pangkatan Indonesia covering 2,586 Ha</li> <li>- Registration Certificate of Plantation Business No.212 / Menhutbun-VII / 2000 dated March 10, 2000 for PT Bilah Platindo with an area of 2,960.61 Ha</li> <li>- Registration of Plantation Business License No. 350/201 / Bun.5 / III / 2001 dated March 16, 2001 for PT Sembada Sennah Maju 1,813.4 Ha</li> <li>- Letters of Regent Labuhanbatu No: 503/465 / HUKUM / 2003 on "Plantation Business License of PT Pangkatan Indonesia dated November 6, 2003 which explains the granting of Plantation Industry License" Palm Oil Mill with 5 Ha</li> <li>- PT. Pangkatan Indonesia (Pangkalan Estate dan Mill): HGU Certificate No. 2 Year 1997, dated 17 September 1997 with area covered 2,586.03 Ha.</li> <li>- PT. Sembada Sennah Maju (Sennah Estate). HGU Certificate No. 1 Year 2002, dated 13 March 2002 with area covered 1,813.4 Ha.</li> <li>- PT. Bilah Plantindo (Bilah Estate). HGU Certificate No. 1 year 1989, dated 24 October 1989 (on behalf of PT. Surya Makmur) with area covered 1,641 Ha; HGU Certificate No. 31 year 2010, dated 9 December 2010 (on behalf of PT. Surya Makmur) with area covered 1,315.07 Ha</li> </ul>	
<p>The certification unit has undertaken prevention and control measures as listed in Safety Act no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical check up, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with factory workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.</p>	

The certification unit has there fire mitigation officers in accordance with the decision of the Head of the Manpower and Transmigration Agency, for example:

- Sennah Estate, arrangement of emergency response board and Anti-Fire Coordinating Agency, number KEP.902 / P2K3 / DSTKT-4/2014 dated December 3, 2014
- Pangkatan Estate, of emergency department and Anti-fire Coordination Board, number KEP.40 / P2K3 / DTK-4/2017 dated May 22, 2017
- Pangkatan Mill of emergency department management and Anti-fire Coordination Board, number KEP.09 / P2K3 / DSTKT-4/2016 dated February 10, 2016.

Companies has monitored static emission test for the boiler and generator and also sterilizer in accordance with applicable regulation. Static emission test consist of noise, vibration and smell.

For example, noise test results at sterilization unit is 83,1 dBA. The test results showed the air quality is still in accordance with applicable regulations. Implementation of management and monitoring of static emission has been described in the Implementation Report of UKL-UPL semester 1 year 2017 for each unit

**2.1.2 & 2.1.3**

The certification units has a mechanism to identify, implement and evaluate the compliance with the law described in “SOP Implementasi Undang-Undang dan Peraturan yang Berlaku” SOP/Umum-01, dated 2 May 2011. This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labour, Environment and OHS. All regulations are noted in the list of rules are always evaluated and implemented directly if there any changes of regulatory / latest requirements referenced. The latest evaluation for example was conducted in 5<sup>th</sup> April 2017 concerning Applicable of Minimum Wage in Labuhanbatu Regency 2017 (SK Gubernur Sumatera Utara Nomor: 188.44/44/KPTS/Tahun 2017). Based on document verification obtained information the last internal audit for legal aspect performed on 4<sup>th</sup> April 2017 for Pangkatan Estate and Sennah Estate. Internal audit result it’s known that all of legal requirement has been accomplished.

**2.1.4**

Certificate holder has adjusted the regulation changes such as minimum wage standard changes referring the decree of North Sumatera Governor about sectorial minimum wage standard and provided accident insurance for personnel based on the applicable regulation. Responsible person for updating the changes of regulations is Legal Manager and Sustainability & Certification Manager.

Thus, the certification units have complied with all applicable local, national ratified international laws and regulations.

**Status: Comply**

**2.2**

**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.**

**2.2.1**

The size area of certification units within this scope is **7,355.50 Ha** based on Land Use Right (HGU) for its three supply bases, following:

PT. Pangkatan Indonesia (Pangkalan Estate dan Mill): HGU Certificate No. 2 Year 1997, dated 17 September 1997 with area covered **2,586.03 Ha**.

PT. Sembada Sennah Maju (Sennah Estate). HGU Certificate No. 1 Year 2002, dated 13 March 2002 with area covered **1,813.4 Ha**.

PT. Bilah Plantindo (Bilah Estate). HGU Certificate No. 1 year 1989, dated 24 October 1989 (on behalf of PT. Surya Makmur) with area covered **1,641 Ha**; HGU Certificate No. 31 year 2010, dated 9 December 2010 (on behalf of PT. Surya Makmur) with area covered **1,315.07 Ha**.

Documents showing the actual legal use of the land available in Area Statement July 2017 as follow:

DESCRIPTION	PGE	SNE	BIE	TOTAL SUMUT
<b>MATURE</b>	2.291	1.342	2.133	5.766
<b>Sub Total (mature)</b>	<b>2.291</b>	<b>1.342</b>	<b>2.133</b>	<b>5.766</b>
<b>IMMATURE</b>				
Year 2015 planting	-	159	230	389
Year 2016 planting	142	56	264	462
Replanting 2017	-	-	173	173
<b>Sub Total (Immature)</b>	<b>142</b>	<b>215</b>	<b>667</b>	<b>1.024</b>
<b>TOTAL PLANTED</b>	<b>2.433</b>	<b>1.557</b>	<b>2.800</b>	<b>6.790</b>
<b>Land Under Preparation</b>	-	124	55	179
<b>Infrastructure</b>				
Nursery	4	6	-	10
Road	58	55	67	180
Drains	4	8	10	22
Buildings	21	15	22	58
Oil Mill Site	15	-	-	15
Composting Area	-	-	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>102</b>	<b>84</b>	<b>99</b>	<b>285</b>
<b>TOTAL CULTIVATED AREA</b>	<b>2.535</b>	<b>1.765</b>	<b>2.954</b>	<b>7.254</b>
<b>Reserve</b>				
Conservation	38	13	1	52
Unplantable Swamps	-	18	-	18
Others	13	17	1	31
<b>TOTAL</b>	<b>51</b>	<b>48</b>	<b>2</b>	<b>101</b>
<b>GRAND TOTAL</b>	<b>2.586</b>	<b>1.813</b>	<b>2.956</b>	<b>7.355</b>
<b>BALANCE AREA TO BE LAND CLEARED</b>	-	-	-	-
<b>TOTAL HGU</b>	<b>2.586</b>	<b>1.813</b>	<b>2.956</b>	<b>7.355</b>

## 2.2.2

The certification unit has boundary map namely "Peta Patok HGU" completed with scale, number of boundary poles and coordinates. Monitoring of boundary poles is based on the procedure "SOP Pembuatan dan Pengelolaan Tanda Batas Kebun (SOP/Umm-14), 2 May 2011".

Auditor verifies the 3 poles in Pangkatan Estate (No. 17 Block Q4 Div.4, No. 19 Block D4 Div. 1 and No. 21 Block A1 Div. 1) and 3 poles in Sennah Estate (No. 29, No. 31 and No. 33 Block A6 Div.1) by using GPS tool GARMIN GPSmap 62s series; it was clearly the sighted poles are in well maintained and appropriate with coordinate points. Reference document to compare the coordinate's positions is based on boundaries pole map "Peta Patok HGU" Scale 1:10,000.

## 2.2.3; 2.2.4; 2.2.5

According to information gathered during stakeholder consultation with representatives of Sidorukun village, Perkebunan Pangkatan village, Perkebunan Sennah village and National Land Body, it was confirmed that no significant of land conflict is raise. Because of the company is one of long-established plantation since Duth colonial era. If land conflict is presence, the certification unit has had mechanism of available land dispute resolution as provided in "Memorandum Ref 002/GM/II/2015 tanggal 3 Februari 2015 tentang Permasalahan Konflik dan Klaim Lahan", which contains the FPIC mechanism.

## 2.2.6

The company has a policy to circumvent instigated violence to maintain peace and order in current and planned operations described in Corporate Social Responsibility Policy, issued date 27 April 2015. In certain point stated "To refuse the use of violation, para-military, confrontation and intimidation in conflict resolution".

Right to use the land is demonstrated by the certification unit, and is not legitimately contested by local people.

**Status: Comply**

## 2.3

**Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their**

**free, prior and informed consent.**
**2.3.1; 2.3.2; 2.3.3; 2.3.4**

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

According to information gathered during stakeholder consultation with representatives of Sidorukun village, Perkebunan Pangkatan village, Perkebunan Sennah village and National Land Body, it was clearly mentioned that no customary rights is available within the plantations.

If land conflict is presence, the certification unit has had mechanism of available land dispute resolution as provided in "Memorandum Ref 002/GM/II/2015 tanggal 3 Februari 2015 tentang Permasalahan Konflik dan Klaim Lahan", which contains the FPIC mechanism.

Therefore, the certification units used the land for oil palm which does not diminish the legal rights, or other users.

**Status: Comply**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**
**3.1**
**There is an implemented management plan that aims to achieve long term economic and financial viability.**
**3.1.1 Major**

The certification holder has work plan documents for the next 3 years, among which are shown below :

- Pangkatan Mill processing projection document (2017-2020)  
The document describes the tonnage target of PT PI, PT SSM, PT BP and external production. In addition to the projected production of fresh fruit bunches, CPO budget and PK budget are also presented within the next 4 years.
- Projected production documents of Estate (2017-2020)  
This document explains the projected production of estate in each division per year.,
- The certification unit routinely conducts an annual budget review outlining the achievement of predetermined performance, internal or external audit results, OHS performance and ongoing improvement recommendations.

**3.1.2 Minor**

Certificate holder has had replanting program start from year 2012 upto 2024. The next 5 years projected of replanting program describe as follow:

Company	Total Planted	2017	2018	2019	2020	2021
PT Pangkatan Indonesia	2.433	-	-	-	35	-
PT Bilah Plantindo	2.856	228	193	172	135	208
PT Sembada Sennah Maju	1.681	136	129	-	-	-

Progress of replanting program is documented annually where includes felling area progress and planted area.

The certificate holder has a replanting program projected starting from 2012 s.d. 2024 listed in the Replanting Program Document, including the following five years as follows :

Company	Total Planted (ha)	2017 (ha)	2018 (ha)	2019 (ha)	2020 (ha)	2021 (ha)
PT Pangkatan Indonesia	2.433	-	-	-	35	-
PT Bilah Plantindo	2.856	228	193	172	135	208
PT Sembada Sennah Maju	1.681	136	129	-	-	-

Progress in the implementation of replanting programs is documented in the form of additional areas that have been tumbled and planted areas.

**Status: Comply**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1****Operating procedures are appropriately documented and consistently implemented and monitored.****4.1.1 Major**

The certification unit has owned and documented procedures related to operational activities in estates and mill into Bahasa Indonesia. For example related to the operational activities of the estate such as SOP Harvest and Transportation, Nursery, Land Preparation, Oil Palm Planting, Non-Produce Plant, Weed Control, Pest and Disease, Water Conservation and Management, Planting and Fertilization. In addition, the certification unit has a safety policy on the use of chemicals, regulated in weed, pest and disease control procedures (PI / SOP / AGRO - 07, May 2, 2011), which explains the types and doses of pesticides used, the use of PPE, handling tool work, first aid, prohibition of eating and drinking during work. For example for chemical weed control.

Procedures related to operation activities in the mill include SOP of FFB Receiving, FFB Grading Guidance, Processing and Process of CPO quality samples. Working procedures at the factory have also explained the related aspects of occupational safety and health, for example workers must use PPE provided by the company in accordance with its risk analysis.

The certification unit has a SOP to measure and monitor mill effluent listed in the Final Effluent procedure, document number SOP / 6-1 / 11, and SOP of Palm Oil Mill Effluent Application, document number GPL / SOP / Agro-15.

The Operational SOP each work station in the mill has explained the work permit arrangement and leave the work site permit. Not all workers can enter certain work areas, must be in accordance with job description and leadership permit. Any officer working at a particular location can not leave the site during the hours of work or the machine is operating

Working procedures at the factory have also explained the related aspects of occupational safety and health, for example workers must use PPE provided by the company in accordance with its risk analysis.

Based on interviews with Pangkatan Estate (PGE) workers on Fertilization activities in block M1, Spraying on block E3, Harvesting in blok B5, Nursery in block V2 and at Sennah Estate on Fertilization Activity in block B3, Spraying in block D2 and Harvesting in block C7, it can be concluded that workers can explain technical work and demonstrate it well in accordance with the procedures they have.

**4.1.2 Minor**

Based on the results of the document review, it is known that the Certificate Holder has routinely conducted the activity of inspection or monitoring activities according to the operating procedure at least once a year. For example, the internal audit report of factory operations carried out by the Internal Audit Department which describes, among others, cash bank administration, warehouse inventory administration, FMIS, vehicle, heavy equipment and machinery activities, crop processing, personnel administration and wages, weightbridge data, factory safety and follow up of internal audit reports.

**4.1.3 Minor**

The Certificate Holder has records of internal measurements and monitoring of Non-compliance Reports of Health, Safety, Environment & Management System and internal audit reports of factory operations conducted by the Internal Audit Department.

The Certificate Holder shows the recording of corrective actions in the form of documentation of improvement on the findings of the evaluation of management and photos of the improvement and improvement results available in the estate/ division unit.

**4.1.4 Major**

Pangkalan POM has implementing of Mass Balance supply chain model where receiving FFB's from certified and non-certified sources. For FFB's entering the mill from non certified sources, Pangkatan POM has own procedure "SOP Penerimaan TBS Luar (No. Dok: SOP/PGM/14, Rev. 1, tanggal 1 Januari 2017)". Also, refer to Memorandum Ref 004/GM/III/2015 dated 20 March 2016 about FFB Purchasing. Pangkatan POM has had list of FFB's supplier as follow:

Certification scope (RSPO Certified):

1. Pangkatan Estate / PGE (PT. Pangkatan Indonesia)
2. Sennah Estate / SNE (PT. Sembada Sennah Maju)
3. Bilah Estate / BIE (PT. Bilah Plantindo)

Independent FFB's suppliers/collectors (Non-Certified):

1. Haji Abdul Gani (RAMP GN). Kec. NA IX, Kab. Labuhanbatu Utara. Agreement dated 11 November 2014.
2. Marihot Sibarani (RAMP AA). Kec. Pangkatan, Kab. Labuhanbatu. Agreement dated 9 February 2015.
3. Fier Megi Nasution (RAMP 188). Kec. Bilah Ilir, Kab. Labuhanbatu. Agreement dated 30 January 2015.
4. Simson Pinem (RAMP CV ULTRA). Kec. Aek Natas, Kab. Labuhanbatu Utara. Agreement dated 12 January 2015
5. Hasim (RAMP HSN). Kec. Rantau Utara, Kab. Labuhanbatu. Agreement dated 23 February 2015.
6. Edi Trulin Bangun (RAMP NAZWA). Kec. Pangkatan, Kab. Labuhanbatu. Agreement dated 11 November 2014.
7. Pendi Marico (RAMP MT). Kec. Pangkatan, Kab. Labuhanbatu. Agreement dated 4 May 2015.
8. Dewin (RAMP DW). Kec. Negeri Lama, Kab. Labuhanbatu. Agreement dated 29 June 2015.
9. Naga Tuter (RAMP NAGA TUTUR). Kec. Negeri Lama, Kab. Labuhanbatu. Agreement dated 6 July 2017.
10. M. Dayan (RAMP AHJ). Kec. Negeri Lama, Kab. Labuhanbatu. Agreement dated 19 October 2016.
11. Hendra (RAMP EB). Kec. Negeri Lama, Kab. Labuhanbatu. Agreement dated 19 October 2016.
12. Redi Sinulingga (RAMP TERANG). Kec. Pematang Celeng, Kab. Labuhanbatu. Agreement dated 8 September 2015.

**Status: Comply**

## 4.2

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

### 4.2.1 Minor

The certificate holder has a SOP implementation record to maintain soil fertility in order to optimize production, eg fertilization should be based on soil and leaf analysis results. The certification unit shows the results of the soil analysis conducted by the Laboratory of Sucofindo and the leaf analysis conducted by PT Nusa Pusaka Kencana Analytical & QC Laboratory R & D Center.

### 4.2.2 Minor

The certificate holder unit has a fertilizer recording as found in the recommendation document and the realization of Urea, MOP, RP and Dolomite semester I of 2017 PGE and SNE, eg SNE, Division II for Urea fertilizer recommended 87,250 kg and has been applied 100%, MOP fertilizer recommended 82,750 kg and has been applied 100%, RP fertilizer recommended 89,550 kg and has been applied 100% and Dolomite fertilizer recommended 54,500 kg and has been applied 100%. In addition, the certification unit has a record of the use of fertilizer per ton of FFB production eg at Sennah Estate for January to July 2017 Urea Fertilizer Type 0.0163 tonnes of fertilizer / tons of FFB / year and Type of Fertilizer MOP 0.0091 tonnes of fertilizer / ton of TBS / year.

### 4.2.3 Minor

The certification unit has the SOP of the sampled soil and leaf soil in the no. SNE / SOP / AGRO-09 or No. PI / SOP / AGRO-09 dated January 1, 2011 on fertilization explaining that fertilizer recommendation should be made based on the analysis of leaf and soil tissue samples. Based on the Company's Palm Oil Cultivation Guidebook, it is explained that the sampling and leaf analysis is conducted once a year and soil sampling is carried out every five years. The certification unit shows leaf sample records, for example R & D Center documents PT Nusa Pusaka Kencana Analytical & QC Laboratory Foliar Analysis Report LSU Sennah Estate, dated December, 13<sup>th</sup> 2016, Ref. No. 327 / RD / EXT / L / DES /



16 showing the results of laboratory analysis of 29 leaf samples with result of Ash, N, P, K, Mg, Ca, B, Cu and Zn. The results of the analysis are incorporated into the fertilization program shown in the Fertilizer Recommendation Report - 2017 document, for example Pangkatan Estate, Carmiel Agrotech SDN BHD showing fertilizer recommendations based on Field location, type of soil, block, Notes (Low Rachis K / P def. Low Rachis K / P Low Leaf K / TBM 1 / TBM 2 / TBM3).

**4.2.4 Minor**

The certificate holder has a recording strategy for nutrient recycling that includes compost applications and palm oil mill effluent applications. The certification unit shows recycling of recycled FFB recycling strategies, such as production report and compost mill application from 2015 to July 2017. Compost application until July 2017 for Pangkatan Estate 1,810.2 ha and Sennah Estate 211 ha. In addition, the certification unit shows the recycling of palm oil mill effluent recycling strategies applied to areas close to the plant, Field PG032V, PG062U and PG061D, for 2017 up to July 85.06 ha.

**Status: Comply**

**4.3 Practices minimize and control erosion and degradation of soils.**

**4.3.1**

The Companies have a semi-detailed soil survey documents report for PT Pangkatan Indonesia, PT Bilah Plantindo and PT Sembada Sennah Maju dated August 10 to 18, 2011 informing about the kind and type of soil in all the 3 estate. The map has been equipped with a location about the company and the legend of the river, the surrounding city, the estate boundaries, soil types, and georeferen.

**4.3.2**

The strategy of planting in areas with terracing of slopes set in palm oil cultivation guidelines PT MP Evans, Land Preparation Chapter, Sub Chapter VI terracing of steep slope areas of 20-25°. The Company has a management policy for areas with a slope > 25 ° are not planted and treated as a guideline within the conservation area of oil palm cultivation.

Technical management in sloping areas arranged in Oil Palm Cultivation Guidelines as follows: starting from the choppy area (2-6 °), undulating (6-12 °), hills (12-20 °), steep (20-25 °) do terracing between 4 ms / d 3.5 m area is steep, with a backdrop of 10-15 °. Regulated under oil palm cultivation guidelines.

Technical conservation land in the area slopes and riparian and marsh area are also outlined in the Handbook for Palm Oil Cultivation MP Evans Group.

Based on field observations to immature area in block A1 Division 1 Pangkatan Estate, known to the company has been planting *Mucuna bracteata* as a cover crop and retaining surface erosion. In addition, using compost fertilizer of oil palm empty bunch as was done in block A1 Division 1 Pangkatan Estate.

**4.3.3**

The companies have the program and realization of road maintenance. Road maintenance programs are contained in the BMP Work Plan and Realization in 2017. In addition, there is also a roadmap realization for each division. For example, in Pangkatan Estate division 1 has been realized road maintenance along 900 m until August 2017. During the audit activities took place, there is no road maintenance activities.

**4.3.4 ; 4.3.5**

Based on the results of interview management, document verification of Semi Detailed Soil Survey Report, known that there is no peatland in the area of PT Pangkatan Indonesia and PT Sembada Sennah Maju. The area of peatland is

located in the area of PT Bilah Platindo with an area of 881.84 ha. In the assessment of recertification, the audit sampling is PT Pangkatan Indonesia and PT Sembada Sennah Maju, so there is no peatland management in the area that becomes audit sampling.

**4.3.6**

Fragile land management strategies in companies described in the palm oil cultivation guidelines PT MP Evans and SOP Soil and water conservation which is kept in each unit (PT Pangkatan Indonesia and PT Sembada Sennah Maju). Based on field observations in immature area in block A1 Division 1 Pangkatan Estate, known to the company has been planting *Mucuna bracteata* as a cover crop and retaining surface erosion. In addition, using compost fertilizer of oil palm empty bunch as was done in block A1 Division 1 Pangkatan Estate.

**Status: Comply**

**4.4**

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

**4.4.1; 4.4.2**

The companies have a water management plan as plans to reduce the contamination of hazardous and toxic materials to water sources. In addition, the companies have also managed the following sources / water flows, such as:

- Conducting waste water management through WWTP and applying it to land and composting process. Observation results in the WWTP, there is no indication of waste water pollution to the environment.
- Monitoring the use of water every month for the use of processing (mill). The company also has a water use budget as the standard volume of water used. For example, there is a recording of water consumption January-July 2017 with average of 0.77 M<sup>3</sup> / ton FFB. The water use budget of 0.87 M<sup>3</sup> / ton TBS. There is no water usage above the specified budget.
- Based on field visits in Kundur river block O2/O18 division 4 in Pangkatan estate, known that the company has been managing the source / water flow, such as:
  - No replanting in the riparian area
  - There is a HCV area signboard
  - There is marking as the best management practice limit
  - Do not perform management of best management practice in riparian area
  - Results of interviews with workers are known to about the mechanism of managing the riparian area. Around the riparian area should not spray and fertilize marked with marking (red paint marks).
- Monitoring the quality of water conducted every 6 months and submitted to the Environment Agency by conducting surface water quality testing.
- etc

The Company has conducted surface water quality testing every 6 months and submitted the results which contained in UKL-UPL to the environmental agency. Testing of surface water quality tested includes upstream and downstream of rivers. TSS testing results of surface water quality monitoring upstream and downstream of kundur river:

Parameter	Upstream of kundur River	Downstream of Kundur River
TSS	19 mg/l	26 mg/l

**4.4.3**

The Company (PT Pangkatan Indonesia) has license for land application of mill effluent in accordance with decree letter of Labuhanbatu Regent no. 503.660/161/BLH-LB/2015 dated May 22, 2015 and is valid for up to 5 years. Based on the permit, Location of Land Application is division I block D (33 Ha), division II block U (33 Ha) and block V (54 Ha).

Company conduct mill effluent test periodically. Based on effluent test until June 2017, there are no results that exceed

the environmental boundary threshold value. And until audit took place, there is no report from the public related to environmental pollution caused by mill effluent. Based on field observation to Block V7 Division II, mill effluent was applied in the block allowed by related government and there was not pollution. Workers understand the tasks and responsibilities of work, and has been using PPE when working.

**4.4.4**

Based on field observation in WTP, operator conducted record of use water by flow meter. The company has record water consumption for the processing of FFB every month. For example, there is a recording of water consumption January-July 2017 with average of 0.77 M<sup>3</sup> / ton FFB. The water use budget of 0.87 M<sup>3</sup> / ton TBS. There is no water usage above the specified budget.

**Status: Comply**

**4.5**

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

**4.5.1 Major**

The certificate holder performs detection by receiving reports from workers then a census is done to determine the actual level of attack through the sampling result. If the census indicates the attack is above the threshold, the control will be applied by the certification unit. For example, in Mei 2017, based on the results of the census in the SNE found pest attacks of mice that exceeded the threshold in blocks A3, A4 dan A6. Control performed by the certificate holder is a chemical application using rodenticide.

**4.5.2 Minor**

Certificate holder demonstrates records of training provided to workers involved in the process of integrated pest management, eg Integrated Pest Management (IPM) Training on February 17, 2017 Sennah Estate which was attended by 41 participants.

Based on the results of field observation and interview with workers on census owl activity in block D3, Division 1 Pangkatan Estate, it is known that workers have understood related to integrated pest control procedures, such as pests of rats that started with the census, then if the result exceeds the threshold value then will be controlled.

**Status: Comply**

**4.6**

**Pesticides are used in ways that do not endanger health or the environment**

**4.6.1 Major**

The certificate holder has procedures related to chemical activities such as spray work and pest control. The procedure is contained in procedure No. PI / SOP / K3-11 or No. SNE / SOP / K3-11 dated January 1, 2011 describing the toxic hazardous waste management (B3). Companies use pesticides listed in pesticide commissions according to actual targets and targets in the field. Based on the results of field visits at the Pangkatan Estate spraying activity and Sennah Estate, spraying is known using herbicide made from Isopropylamine glyphosate.

**4.6.2 Major**

The certificate holder documenting the use of pesticides, for example for the July 2017 period use presented pesticide use data for SNE active ingredient Methyl metulfuron 0,00006 kg / LD 50 / ton of fresh fruit bunches. Notes on the use of pesticides (including active ingredients used and LD50 of the active ingredient, targeted area, number of active ingredients applied per ha and number of applications) have been demonstrated.

**4.6.3 Major**

The certification unit implements an integrated pest management system by collaborating on biological and chemical

controls. The use of chemical techniques is not done in a preventive manner, but based on the results of early warning systems of detection and census. The development of useful plants such as *Turnera subulata* is used as a biological control technique as a place to live predator nettle caterpillars. Based on the results of field visits along the sampling sites in Pangkatan Estate and also in Sennah Estate, found beneficial plant development *Turnera subulata* and *Antigonone leptopus* along the site of the visit.

The certification unit has a pesticide reduction program, among others, the Paraquat Reduction Program, dated May 1, 2017, of which it is programmed for 2017 use of 1700 liters / year and 2018 use of 1600 liters per year with use only for specific identified situations.

#### **4.6.4. Minor**

The certificate holder has a complete list of pesticides belonging to the World Health Organization Class 1A or 1B, or those listed in the Stockholm or Rotterdam Conventions. The document is listed in the List of Pesticides documents Classification of 2017 which identifies trade names, active ingredients, active ingredient content, LD 50 (mg / kg), WHO classification and product classification. For example, for the Supretox trademark (paraquat dichloride) classification of WHO class II and Ratgone 0.005 BB (Brodifacum) IA. This is confirmed by circular No. 001/GM SUMUT/VI/2011 dated 5 December 2014 stating that the certificate holder has a commitment to reduce the use of paraquat as the growth of plant life. The certification holders shows the graph of decreasing use of paraquat dichroide for example SNE of 2016 usage data of 1,270.33 liters and for the year 2017 up to July as much as 889.19 liters. Based on the results of field observations, it is known that the use of paraquat is done at the first rotation spraying. The certification holder shows evidence of limited pesticide training for spray operators using paraquat active ingredients in the form of training certificates, such as those held on 2015 at Pangkatan Estate. The certification holder still uses Brodifakum active ingredients for rat pest control. However, its use is based on the detection and rat census. The certificate holder strives to minimize the use of brodifakum active ingredients. The certificate holder up to now has controlled mice using natural enemies.

The certification unit has a pesticide reduction program that can be known to use per hectare. This is demonstrated in the Paraquat Reduction Program, dated May 1, 2017, of which it is programmed for 2017 use of 1700 liters / year and 2018 use of 1600 liters per year with use only for specific identified situations.

#### **4.6.5 Major and 4.6.9 Minor**

The certificate holder shows a limited pesticide training certificate for pesticide operators conducted in 2015 at Pangkatan Estate. Based on field observations and interviews with workers in Pangkatan Estate and Sennah Estate, it is known that workers have been equipped with Personal Protective Equipment in the form of helmets, goggles, masks, long-sleeved shirts, trousers, apron, rubber gloves and boots in accordance with product label materials which is used and has received training related to internal and external spraying, such as Agricultural Training for Foreman and Spraying Employees, in Division 1 Sennah Estate, dated March 9, 2017. In addition, based on interviews and field observations in agrochemical warehouses, chemicals for spraying are placed on special warehouses by the preparation of appropriate size criteria and have been equipped with MSDS of each material. The foreman of spraying has been equipped with a first aid kit that can be used in case of work accident. In addition, the foreman also has provided a warning board on the block that applied pesticides to others know that there is spraying activity in the block.

#### **4.6.6. Major**

Based on observations to the pesticide storage warehouse at Pangkatan Estate and Sennah Estate, the warehouse is equipped with symbols related to the hazard level of pesticides and PPE that must be used, MSDS each pesticide and its storage has been classified according to its danger level. Warehouse in and out access is held only by the warehouse responsible. Any interested to enter the storage warehouse must be accompanied by the responsible warehouse. All

storage pesticide used are stored in Warehouse Temporary Hazardous Waste, which will then be delivered to the licensed hazardous waste collecting and transporter (PT Wira Gemilang Anugerah). The results of observations at the housing workers Pangkatan Estate, Sennah Estate and Pangkatan Mill not found pesticide used for other purposes such as bins, flower pots, etc.

**4.6.7 Minor**

Based on interviews with spray workers in the Pangkatan Estate and Sennah Estate, it is known that they have a safe working practices. This was evidenced by workers use and handling of pesticides in accordance with the material safety sheet. Spray workers also use personal protective equipment in accordance with the risk analysis of companies such as, helmet, aprons, masks, gloves, goggles, and boots. Before doing the job, the foreman will do safety briefing reminding of safe work.

Based on field observations and interviews with spraying workers, it is known that the certification unit has provided facilities for self-cleaning, cleaning of personal protective equipment and cleaning of work equipment and also provided a storage place of personal protective equipment.

**4.6.8 Major**

Based on the results of document review, management interview and field observation, it is known that the certificate holder does not apply air spraying.

**4.6.10**

Companies have procedures of hazardous waste management no. document PI/SOP/K3-11 dated 2 January 2011. According to interviews, hazardous waste operator understood procedures of agrochemical waste management, which are stored in Hazardous Waste Warehouse and handed over to the Hazardous Waste’s collectors periodically, then submitted the report to relevant agency. The company able to show recorded evidence agrochemical waste management, such as logbook and manifest hazardous waste, minutes of pick up of hazardous waste and hazardous waste report to environmental agency.

**4.6.11 Major**

The certificate holder shows the data of Medical Check Up Result of 30 March 2017 for PGE and SNE with the result that there are 2 workers who are recommended for the mutation to the treatment because of tuberculosis and heart enlargement. The certificate holder shows the employee mutation evidence in accordance with the Employee Mutation Letter, number 064 / Mutation / SNE / IV / 2017, dated April 1, 2017.

Based on the results of interviews with sprayers, it is known that the results of the examination have been informed to workers in private and workers feel no complaints or indications of skin disease or itches.

Based on the results of the study of health examination results, there is no low blood cholinesterase levels, but two workers are known to have tuberculosis and heart enlargement.

**4.6.12 Major**

Based on interviews with workers in spraying activities in Pangkatan Estate and Sennah Estate, there is no female spraying worker. However, it is known that workers have understood the prohibition of pregnant and lactating women to work in spray activities, if any are pregnant or lactating workers transferred to manual care activities and not related to agrochemicals.

	<b>Status: Comply</b>	
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**4.7**

**An occupational health and safety plan is documented, effectively communicated and implemented.**

#### **4.7.1 Major**

The certificate holder has a Health & Safety Policy approved by President Director on January 2, 2011. The policy had been disseminated to employees, for example, on February 13, 2017 to 30 participants socialized policy delivered by EHS Team. Based on interviews, it is known that the policy has been understood by the workers and the workers understand the principles of how to work safely. For example, the interview with the harvester, sprayer and fertilizer.

The company also shows the Health and Safety of Work Program in 2017 which is an attempt to minimize the Lost Time Accident (LTA). The realization of the plan, such as safety training of harvest, spray and nursery on 30 August 2017 and health checks of employees of Pangkatan Mill on 30 March 2017.

#### **4.7.2 Major**

The certificate holder has an actual document of Occupational Health and Safety Risk Assessment Monitoring 2017 for mill and estate operations for the period of 2017. The document is prepared by a team of companies by identifying potential hazards and risks, then proceed to assess the risk level and risk control until risk is tolerated. If an accident occurs in the field, it will be considered in risk control to prevent future accidents.

Based on the results of field observations in chemical warehouses and toxic mixing sites there is an MSDS that is placed as a guide in the handling of chemicals.

Based on interviews with spraying workers it is also known that the foreman in the field understands the procedures in case of work accidents as well as instructions in the MSDS each product has been applied to the employees.

#### **4.7.3 Major**

The certificate holder has a procedure document of the Procedures for the Use of PPE, which explains that the damaged PPE can be replaced by proving the damage is not caused by intentional elements. The results of field observations in mill and estates as well as interviews with workers, it is known that the certificate holder has provided PPE and has been given safe work practices training. The certificate holder shows the proof of the handover of PPE listed in the PPE Gift Log Book, for example on July 7, 2017, handed PPE rubber gloves to Oryctes pest control workers.

#### **4.7.4 Major**

The certificate holder has established the Guiding Committee of Occupational Health & Safety which prepares and is responsible for the implementation of occupational safety and health programs and evaluates the implementation of the Occupational Safety and Health program in the field. Guiding Committee of Occupational Health & Safety also conducts regular monthly meetings discussing the implementation of the OHS program, such as the Guiding Committee of Occupational Health & Safety meeting at Pangkatan Mill on July 14, 2017, attended by company representatives and workers representatives and discusses related discipline and accuracy in the use of PPE. Based on the interview with one of the grading officers, it is known that the person is aware of the Guiding Committee of Occupational Health & Safety and following the Guiding Committee of Occupational Health & Safety meeting.

#### **4.7.5 Minor**

The certificate holder has emergency procedures and occupational injuries, including those listed in the Emergency Management Procedures document (document number SSM / SOP / General-10) and Work Accident Reporting and Handling Procedures (document number SNE / SOP / K3-14).

In addition, the certificate holder also has a certified first aid officer and has been trained to the foremen with a first aid kit.

Based on interviews with foremen and spraying workers, fertilization and harvesting at Pangkatan Estate and Sennah Estate, it is known that workers have been aware of emergency response procedures, for example in case of an emergency in the housing then have to gather at the gathering point and in case of work accident the foreman must

perform first aid using the first aid kit provided.

**4.7.6 Minor**

The certificate holder shows evidence that all workers including contract workers are covered by medical services and are covered by accident insurance, such as based on interviews with free laborers at Sennah Estate, it is known that if an accident occurs, the company bears the medical expenses. Related insurance for free labour is available memorandum from HRD No. 004 / HR-EI / I / 2013 on 1 January 2013 which explains the guarantee of work accident protection for free labor.

The certificate holder shows evidence that workers receive appropriate medical services, and can claim or receive compensation from insurance, for example in Sennah Estate work accident that caused the victim died on June 3, 2016. The company shows evidence of insurance claims, including in the form of work accidents report, hospitalization memos and certificates from doctors Workers Social Security Agency employment for accident cases.

Evidence that insurance policy is still in effect, based on interviews and review of claims documents Labour Social Assurance in August 2017 and proof of payment BPJS dues in July paid in August 2017.

**4.7.7 Minor**

The certificate holder has monitored workplace accidents for the period of August 2016 to July 2017 and analyzed the time lost by accident. Over the past 12 months, at Pangkatan Estate there were three work accidents which caused 44 days lost and in Sennah Estate there was one incident that caused deaths, ie in June 2017. The certificate holder has investigated the accident. Work accidents are considered in assessing risks to prevent future accidents.

**Status: Comply**

**4.8**

**All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1 Major**

Companies have a Employee List up date 2017 that includes a list of staff, permanent employees, contract worker and daily paid worker. Employees list always updated every month by the Head of Administration. The Companies shows Monitoring of Training Activity in 2017 which includes the plan of training about OHS, HCV, Agronomy, company policies, administration, waste management, energy saving, separation of garbage etc. The training program is based on the needs from particular operational activity type. The participants of training are all workers and staff level, The Company does not have cooperation with smallholders.

**4.8.2 Minor**

The Company have conducted training activities and recorded in the form of photos, the minutes, attendance list and certificate/operator license. Frequency of training has been adjusted to training program. For example, Spray calibration training on 15 June 2017, safety training on 31 July 31 etc. Based on interviews with foremen and workers on spraying activities, fertilization, sortation activities and the boiler operators explained that the Company has provided regular training and they can demonstrated about OHS, operational activities and the HCV area/ environmental etc.

**Status: Comply**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

**5.1**

**Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

**5.1.1**

The company (PT Pangkatan Indonesia) has UKL/UPL document with scope area 2,586.03 ha and POM capacity 40 t/hour, which has been approved by related agency on July 08, 2010. Meanwhile, Sembada Sennah Maju also has UKL/UPL document with scope area 1,813.4 ha, which has been approved by related agency on May 10, 2012.

According to interview with related agency, the environment document still valid and used as reference in environment management. Related to protection of protected species, companies have been met with the requirement of PP. 7 of 1999. It explained in indicator 5.2.1

**5.1.2; 5.1.3**

The management and monitoring plan is undertaken to mitigate the negative impacts arising as a result of the company's operations. The management and monitoring plan and its realization have been described in the UKL-UPL Implementation Report. Based on document verification Report of UKL-UPL implementation semester 1 year 2017 (PT Pangkatan and PT Sennah) it is known that environmental management and monitoring plan conducted by mill and its supply base have complied with UKL-UPL matrix and have been reported every semester to related agency.

The results of interviews with representative of Environmental Agency of Labuhan Batu District, it is known that the mill and its supply base have regularly reported the implementation of UKL-UPL every semester. In addition, there are no issues related to environmental pollution.

**Status: Comply**

**5.2**

**The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced**

**5.2.1**

Records on the results of HCV assessment that includes both the planted area and the relevant wider landscape-level considerations was done in 26 May – 3 June 2011 by independent consultant which led by RSPO Approved HCV Assessor. Total area covers in HCV assessment are 49.48 Ha which includes three supply bases among others: Pangkatan Estate (PT Pangkatan Indonesia), Sennah Estate (PT Sembada Sennah Maju) and Bilah Estate (PT Bilah Plantindo).

**5.2.2**

Threatened or endangered (RTE) species and or other HCVs based on HCV assessment are presented below:

Common Name	Scientific Name	IUCN status	PGE	SNE	BIE
<b>Birds</b>					
Rhinoceros hornbill	<i>Buceros rhinoceros</i>	NT	Presence	Presence	Presence
Black magpie	<i>Platysmurus leucopterus</i>	NT	Presence	Absence	Absence
<b>Mammals</b>					
Otter civet	<i>Cynogale bennettii</i>	EN	Presence	Presence	Presence
Sambar deer	<i>Rusa unicolor</i>	VU	Absence	Presence	Presence
Sunny bear	<i>Helarctos malayanus</i>	VU	Presence	Presence	Presence
Sunda pangolin	<i>Manis javanica</i>	EN	Presence	Presence	Presence
Banded langur	<i>Presbytis melalophos</i>	EN	Presence	Presence	Presence
Pig-tailed macaque	<i>Macaca nemestrina</i>	VU	Presence	Presence	Presence
Oriental small clawed otter	<i>Aonyx cinerea</i>	VU	Presence	Presence	Presence
Indian smooth-coated otter	<i>Lutrogate perspicillata</i>	VU	Absence	Presence	Presence
<b>Reptile</b>					
King cobra	<i>Ophiophagus hannah</i>	VU	Presence	Presence	Presence
Crocodile sengolong	<i>Tomistoma schlegelii</i>	EN	Presence	Absence	Absence

Other HCV's that presented in plantation area is riparian zone of Sei Kundur River (Pangkalan Estate) with natural vegetation growth and lowland/freshwater swamp (Sennah Estate).

Based on field observation in Block O2 Div.4 and Block O3/R10 Div.4 (riparian zone of Sei Kundur River – Pangkatan Estate), sighted that natural vegetation is well maintained and not replanted. This area as wildlife habitats along the river,



particularly for primates species. While, in Sennah Estate (Block E13/E14 Div.1) sighted that swamp area also in well condition and 4 black magpie nests are visible in some trees.

The certification units also have Management and Monitoring Plan of HCV in Oil Palm Plantation period November 2014 – Oktober 2019 to maintain HCV and RTE’s habitats.

**5.2.3; 5.2.4**

Program to socialize the status of protected, rare, threatened or endangered (RTE) to all workers, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species was demonstrated through the company policy. “Kebijakan Kelestarian Lingkungan dan Keanekaragaman Hayati (Biodiversity) PT. Evans Indonesia” is a policy for MP Evans Group holdings and its subsidiaries in Indonesia dated 2 January 2011, has been socialized to all workers.

Also, the certification units have own procedure “SOP Pengelolaan dan Pemantauan NKT, No. Dok: PI/SOP/Umum-07, rev.01, berlaku 1 April 2017” for Management and Monitoring of HCV. Program for several workers that assigned as HCV PIC was annually conducted, in example:

- Wildlife monitoring and inventory training: planned in April 2017, actual in 14 August 2017.
- Wildlife conflict and mitigation training: planned in May and November 2017, actual 20 May 2017

Monitoring documentation that was made by the company is referred to the management and monitoring plan. For example: Wildlife monitoring report dated 14 August 2017 in Pangkatan Estate is well in place and documented.

**5.2.5**

Status of HCV areas overlapped with an identified local community’s land will is absence. This information gathered during stakeholder consultation with adjacent villages.

The status of RTE’s species and other HCV habitats that exist in the plantation has been identified and managed to best ensure that they are well maintained.

	<b>Status: Comply</b>	
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**5.3**

**Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**5.3.1**

The Companies have identified waste sources that include location, source of waste, type of waste, and handling. The list of sources of waste generated such as the pesticides containers, medical waste, household waste, used oil, EFB, shell and fiber, mill effluent etc. The waste products are sourced from estate activities, housing activities, mechanics in the workshop activities, and palm oil processing factory activities.

**5.3.2; 5.3.3**

In the case of hazardous waste management, the companies have a licensed hazardous waste warehouse as a temporary storage place for hazardous waste prior to submission to licensed collectors. Result of field visit at hazardous waste warehouse in PT Pangkatan Indonesia and PT Sembada Sennah Maju, it is known that mill and its supply base have been managing hazardous waste well. In addition, hazardous waste warehouse has been equipped with First Aid Kit, hazardous waste symbol, emergency respons etc. Interviews with warehouse officer, he has understood mechanism of hazardous waste management. Based on interviews, hazardous waste stored in Hazardous Waste Warehouse and handed over to the Hazardous Waste’s collectors periodically, then submitted the report to relevant agency. The company able to show recorded evidence agrochemical and other hazardous waste management, such as logbook and manifest hazardous waste, minutes of pick up of hazardous waste and hazardous waste report to environmental agency. Implementation of hazardous waste transportation management plan (OFI 1).

Based on the visit in the composting area, EFB is used as compost raw material. Field visit in WWTP, the wastewater was flowed into the pond of WWTP and used for the composting process and applied to the land application. Results of

visits to housing divisions 3 and 4 Pangkatan Estate and division 2 Sennah Estate is known there are no containers of chemicals that re-use. In addition, there is no disposal of hazardous waste by fire.	
<b>5.3.3</b>	<b>Status: OFI.1</b>
<b>5.4</b>	
<b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>	
<b>5.4.1</b>	
Based on field observation in palm oil mill, the fibers and shell is used as fuel to reduce fossil fuel consumption and maximize renewable energy. There was a recording of fiber and shell usage. For example total use of shells on August was 1.321.995 kg and 2.685.589 kg the use of fiber. The energy generated from the use of fiber and shell on August 479.076 Kwh	
	<b>Status: Comply</b>
<b>5.5</b>	
<b>Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>5.5.1 ; 5.5.2</b>	
The Companies have issued Guideline Oil Palm Cultivation MP Evans Indonesia, where technically open land without burning is in Chapter II clearings, Section 2 zero burning and SOP operational activities without burning documen no. PI/SOP/Umum-03 revision 00 dated 2 May 2011. In SOP operational activities without burning covers all operational activities either land clearing or other operations. And applies to the management of waste without burning either in the field or at home and office.	
There is no land clearing by burning. Verification results of land clearing records for replanting activities, field visits in immature areas and housing complex, no indication of fire use for replanting activities or waste management.	
	<b>Status: Comply</b>
<b>5.6</b>	
<b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>	
<b>5.6.1; 5.6.2; 5.6.3</b>	
The Companies have identified waste sources that include location, source of waste, type of waste, and handling. In addition, the company has an Inventory and GHG mitigation document of Plantation and Palm Oil Mill which contains identification and mitigation of GHG.	
Plans and implementation to reduce or minimize GHG emissions are explained In the following documents:	
<ul style="list-style-type: none"> <li>• Based on document review and field visit, information was obtained that the companies have identified and managed GHG emissions, for example: GHG emissions from transportation, GHG emissions from land clearing etc.</li> <li>• There are woody plants on the border of the kundur river and around the mill.</li> <li>• Implementation of GHG emission management such as: (1) chemical use as recommended, (2) management of waste water in WWTP and applied to soil, (3) repairing transportation machine regularly and calculating GHG emission.</li> <li>• POME activities have been monitored by officer, example monitoring of waste discharge into ponds, flow meter conditions, etc.</li> </ul>	
Certificate unit has installed a dust collector to catch dust or particles flying in the air and also has monitored the air quality carried out by conducting air quality testing and reported every semester contained in the UKL-UPL report. The test results showed the air quality is still in accordance with applicable regulations.	
In addition, the companies have also conducted management and monitoring of immovable sources (example noise, and air quality). The management of immovable sources in the form of giving PPE (earplug) to work with high risk (example	

noise) and periodically health checks (audiometry). While the monitoring plan is carried out by conducting routine testing of immovable sources (example sterilizer). For example, noise test results at sterilization unit is 83,1 dBA. The test results showed the air quality is still in accordance with applicable regulations. Implementation of management and monitoring of immovable sources has been described in the Implementation Report of UKL-UPL semester 1 year 2017 for each unit (PT Pangkatan and PT Sennah).

The Company also has performed GHG calculation using PalmGHG Calculator version 3.1. The results of GHG calculations include:

**Summary of Net GHG Emissions**

Emissions per product	tCO <sub>2</sub> e/Product	Extraction	%
CPO	0,8	OER	23.08
PK	0,8	KER	5.6

Land Use	ha
total planted area	6969
total Planted area on peat	420.08
Conservation area	52

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>						
Land conversion	55755.41	8		-	-	-
*CO <sub>2</sub> emissions from fertilizer	4883.52	0.7		-	-	-
**N <sub>2</sub> O emissions	11499.62	1.65		-	-	-
Fuel consumption	1040.04	0.15		-	-	-
Peat Oxidation	22936.37	3.29		-	-	-
<b>Sinks</b>						
Crop sequestration	-61300.63	-8.8		-	-	-
Conservation Sequestration	0	0		-	-	-
<b>Total</b>	<b>34814.33</b>	<b>5</b>	<b>981.25</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	0	0
Fuel consumption	412.42	0
Grid Electricity Utilisation	0.02	0
<b>Credits</b>		
Export of Grid Electricity	-0.02	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>412.42</b>	<b>0</b>

**Status: Comply**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

<p><b>6.1</b>  <b>Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.</b></p>		
<p><b>6.1.1 Major &amp; 6.1.2 Major</b>  The Companies are able to demonstrate that social impact analysis in the form of UKL-UPL (Environmental Management Plan and Environmental Monitoring Procedure) Assessment and Social Impact Assessment have been conducted. The activity is performed by 2 persons who are competent in their fields on 27th – 29th of May 2011. Social impacts generated by company includes social and cultural Right, economic development, natural resource, education and infrastructure. Social Impact Assessment has participatory with stakeholders, such as:</p> <ul style="list-style-type: none"> <li>- 17 Workers (Sprayer, president of worker union, harvester) attendance list of public consultation is available</li> <li>- 26 villagers (Perkebunan Pangkatan Village, Sidorukun Village, Kampung Padang Village, Pondok Batu Village, Perkebunan Sennah Village, Kampung Sennah Village, Negeri Lama Village, Perkebunan Bilah Village, Negeri Baru Village, Kampung Bilah Village).</li> <li>- Record of interviews and meetings concerning applied mechanism in involving stakeholders are available. Record of meeting and interview are available in the form of pictures and attendance list.</li> </ul> <p><b>6.1.3 Major</b>  In effort to promoting positive impacts and mitigating negative impacts, The companies have performed review and consultation with stakeholders who directly affected through regular meetings. This is demonstrated and well documented in document of Management and Monitoring Plans of Social Impact Assessment for period of November 2014 – October 2019 in which implementation time frame is indicated. Responsible person for social impact plans implementation are Estate manager and Sustainability &amp; Certification Manager.</p> <p><b>6.1.4 Minor &amp; 6.1.5 Minor</b>  The companies have performed evaluation of social impact analysis each year which is written in document of Report and Review of Action Plan of Social Impact Assessment such in Period of November 2015 to October 2016. The evaluation including the impact of new activities such as replanting that have been documented, it also involves the affected parties, the surrounding villages and company employees. Mitigation done such as road watering, hunting ban etc. This is reaffirmed in accordance with the results of interviews with surrounding village communities. Base on result of interview is also reveals that there are no smallholders scheme.</p>		
<table border="1" style="width: 100%;"> <tr> <td style="width: 80%;"><b>Status: Comply</b></td> <td style="width: 20%;"></td> </tr> </table>	<b>Status: Comply</b>	
<b>Status: Comply</b>		
<p><b>6.2</b>  <b>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</b></p>		
<p><b>6.2.1 Major &amp; 6.2.2 Minor</b>  There is a procedures of open and transparent methods namely SOP of Information Transparency and SOP of communication and Consultation No. PI/SOP/Umum-20 dated 27 April 2015. The companies were conduct public consultation disseminated the SOP to relevant stakeholders. Based on interview with surrounding communities (Sidorukun Village, Perkebunan Pangkatan Village, Sennah Village and Perkebunan Sennah Village) and government agencies, it is revealed that they have knowledge of complaints submission mechanism in accordance with procedure. The responsible officers for communication with stakeholders are:</p> <ul style="list-style-type: none"> <li>- For surrounding communities is Estate Manager in each estate.</li> <li>- For local government apparatuses is Chief Representative.</li> </ul> <p><b>6.2.3 Minor</b>  The Companies had document of stakeholders list up date 14 July 2017 consisting of village, district, military office, hospital, labor organization, government authorities, NGO and Contractor. Its stakeholder list is being changed according to the changes in stakeholders such as the change of name and telephone number of district chief or government authorities. The communication recorded in the request book of information and complaint /complain book. For Example</p> <ul style="list-style-type: none"> <li>- PT. Pangkatan Indonesia: Request information dated June 14, 2017 from the North Sumatra Provincial Office of Manpower related to wage decisions that have been responded on the same date. In the complaint book during</li> </ul>		

	<p>2016-2017 are no incoming complaints</p> <ul style="list-style-type: none"> <li>- PT. Sembada Sennah Maju: Request for information dated August 5, 2017 from the North Sumatra Provincial Office of Manpower related to lightning installation, welding machine, electricity etc. which has been responded on the same date. Complaint dated April 11, 2016 associated with a leak safety tank that has been in follow-up by management dated 12 April 2016</li> </ul>	
	<p><b>Status: Comply</b></p>	
<p><b>6.3</b>  <b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</b></p>		
<p><b>6.3.1 Major</b>          The companies have SOP No. PI/SOP/Ummum-05 dated 25 April 2013 about internal and external complaint. And also has procedure of communication and Consultation No. PI/SOP/Ummum-19 dated 27 April 2015 inform about RSPO Complaints System. This procedure was explain about all reporter/communicating will anonymity of complainants guaranteed, and legally protected identify. The Estate Manager assisted by head of administration as well as the CSR Section is responsible for receiving complaints or complaints. The procedure has been socialized to stakeholders. It shown in the socialization monitoring document of 2016 and from interviews with stakeholders.</p> <p><b>6.3.2 Major</b>          The records of complaint are in document of Internal &amp; External Complaints, based on the document there are some complaints in 2016-2017 for example in Sennah Estate there is complaint on 11 April 2016 about safety tank leaked which has been followed up by management dated 12 April 2016. Based on interview with employees, government agencies, surrounding communities and NGO, there is no dispute in communication between company and communities and complaint submission mechanism is in accordance with procedure is noted.</p>		
	<p><b>Status: Comply</b></p>	
<p><b>6.4</b>  <b>Any negotiations concerning compensation for loss of legal or customary 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></p>		
<p><b>6.4.1; 6.4.2</b>          The procedure of "SOP Pembebasan Lahan (SOP/Ummum-21, dated 28 December 2011)" described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.</p> <p>While, within the "Memorandum Ref 002/GM/II/2015 tanggal 3 Februari 2015 tentang Permasalahan Konflik dan Klaim Lahan", which contains the FPIC mechanism describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.</p> <p><b>6.4.3</b>          The certification units are one of long-established plantations company since Dutch colonial era. Thus, there is no evidence that can be provided regarding land compensation. This is due to no longer records dating back to the time of the records.</p>		
	<p><b>Status: Comply</b></p>	
<p><b>6.5</b>  <b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>		
<p><b>6.5.1 Major</b>          Companies have implemented the payment of wages for employees refers to the minimum wage at Labuhanbatu District in accordance with Decree of Sumatera Utara Governor's No. 188.44/44/KPTS/2017 dated 3 February 2017 is explained Minimum Wage is set at IDR. 2,467,000. Based on document verification of Salary Slip July 2017 is known that wages</p>		

payment is in accordance with the Minimum Wages. Terms of overtime payments are also in accordance to National Regulation with the provision of overtime calculation ie 1.5 hourly wages for first hour overtime and 2 x one hour wage for second hour overtime. Based on interviews with Worker Union, Labour Agency and workers, explained that the Company has paid wages according to the minimum wage set by the government and there is no issue about payment or worker welfare.

Terms of overtime payments for employees who work over working hours have been made in accordance with applicable provisions, such as examples of overtime workers of office workers and mill. For harvesters do not use overtime payment system, but the system of premium payment of harvest by still get the basic wage and there is no violation of wage or forced labor regulation

The certification unit conducts internal audits annually including wage payments paid to contractor workers and has registered contract workers on employment and health social security programs, as set out in the employment agreement. This is shown in the proof of social security payments in the period May, June and July 2017.

**6.5.2 Major**

Employment law contained in the Collective Labour Agreement for PT.Pangkalan Indonesia, PT. Bilah Platindo and PT.Sembada Sennah Maju dated 27 December 2016 for period of 2016 to 2019. Entire Collective Labour Agreement has been agreed by company representatives and the Worker Unions and was approved by the Labour Agency. In addition, any permanent workers, contract workers and daily paid worker has been equipped with Letter of Agreement Working that describes the assignment of responsibilities, work hours, wages and facilities. Documents Letter of Agreement Work and Collective Labour Agreement are available in Indonesian. Based on interviews with workers, Woker Unions and labour Agency known that all employees have employment agreements and there were no issues or violations committed by Companies related to worker welfare included in payment.

**6.5.3 Minor & 6.5.4 Minor**

Based on visits to the housing employees, Company has been providing employee homes, worship places, clinics, schools (primary and kindergarten), sports facilities (soccer field, badminton and volleyball) and also daycare in appropriate conditions. In addition, the company provides transportation for student who attend school in the village around the company. Electricity in housing employees have been provided from the state-owned electricity company and the clean water supply provided by the company through the artesian well. Based on interviews with workers and worker unions, explained that the number of homes provided by the company have been sufficient for all workers. The workers also equipped by the Cooperative employees that sell basic necessities and have easy access to surrounding villages to get basic necessities

**Status: Comply**

**6.6**

**The employer respects the right 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.**

**6.6.1 Major**

Companies have Policy of Freedom of Association for Employees which has been approved by the President Director of PT Evans Indonesia dated January 2, 2011. Evidence of this policy that each management unit has been established Worker Unions which have been approved by the Labour Agency of Labuhanbatu District. Worker Union agreements and/or labor laws that explain payments and working conditions listed in the document Collective Labour Agreement which was signed by representatives of employer and workers and has been approved by the Labour Agency of Labuhanbatu District. From interviews with employees and union officials it is known that every employee has the right to join the union.

**6.6.2 Minor**

Company showed Minutes of the meeting between the Company and the Worker Unions, for example in PT. Sembada Sennah Maju dated 21 March 2017 discusses premium transport, premiums more composting base etc. Based on interviews with worker unions, explained that communication with the Company are good and for the minutes of the meeting also owned by Worker Union

<b>Status: Comply</b>	
<b>6.7 Children are not employed or exploited.</b>	
<b>6.7.1 Major</b> Policy related to requirement of worker age can be traced through the SOP of Admissions and Selection of New Non Staff Employees (document number: SOP/UMUM-23 dated July 30, 2012). In SOP is explained that the minimum age of workers who accepted is 18 years. Based on Employee List 2017 which describes the worker's date of birth, it is known that all workers have over 18 years. As well as the visits and interviews with workers, not encountered any worker who is under 18 years. Workers have been aware that the minimum age for employment is 18 years old and at the time of acceptance of work must be equipped with an ID card.	
<b>Status: Comply</b>	
<b>6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
<b>6.8.1 Major &amp; 6.8.2 Major</b> Policy related to not discriminate the workers listed in the policy of equality of employment opportunity that approved by the President Director dated on January 02, 2011. Based on visit to the office in Sennah Estate, Pangkatan Estate and Pangkatan Mill, it is known that the policy has been mounted on the wall in front of the office space in order to be easily known by stakeholders and employees. Based on the list of employees in 2017, it is known that workers come from diverse ethnic, religious, national origin, age, sex and there is no migrant workers. Based on interview with Worker Union, gender committee and workers at field observation known that The companies did not discriminate against workers on the work reception or promotions.	
<b>6.8.3 Minor</b> Companies can show identity of workers recorded when applying, such as ID card, Education Certificate, family card, Curriculum Vitae, Marriage Certificate and Certificate of Good behavior from the police. Acceptance and promotion procedure is contained in SOP Acceptance and Selection of New Employees Non Staff (No. Document: PI/SOP/UMUM-25) with effective date on January 1, 2011. The Companies can demonstrated rise and appointment of new employees based on assessment. Assessment is recorded in the Work Evaluation Form that assess some factor example quantity of work (attendance, timeliness), quality of work (skills, knowledge and communication), work behavior (discipline, initiative, adaptation to work environment), work relationship (with staff and fellow employees). Based on interviews with Worker Union and gender committee, The companies did not discriminate the workers from acceptance till promotions.	
<b>Status: Comply</b>	
<b>6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</b>	
<b>6.9.1 Major</b> Policy regarding sexual harassment is listed in Sexual Harassment Policy approved by the President Director dated January 2, 2011. The policy is communicated by way socialized and mounted on the offices and clinics. The Companies has established a Gender Committee in each management unit for oversee and fostering the woman workers and worker's wife. Based on interviews with woman workers, The workers have known board of the Gender Committee.	
<b>6.9.2 Major</b> Policy related to reproductive rights for woman workers is listed in the Reproduction Policy authorized by the President Director, dated September 2, 2013. Based on interviews with a Gender Committee and women workers that workers can explain the reproductive rights that given by the company include leave of menstruation are given 2 days with the information from paramedic and day off for childbirth are given for period 1.5 months before giving birth and 1.5 months after giving birth. They also given the opportunity to breastfeed and not work in contact with chemicals.	
<b>6.9.3 Minor</b>	

There is SOP Internal and External Complaint with Document Number PI/SOP/Uum-05. In the SOP describes the type of sexual harassment, reporting devoted to the supervisor or directly to the manager/Head of Assistant in order to avoid undesirable things such as feelings of shame and so not many people know about the incident. Based on interviews with women workers, the workers can explaining the mechanism of reporting sexual harassment is reported to the chairman of gender committee. Chairman of Gender Committee also explained that any complaint regarding sexual harassment is reported through the Gender Committee and decided together with the head of Management Unit. Based on document verification of Complaints Book and interview with Gender Committee and workes, there are no complaints issues related to sexual harassment and violence

**Status: Comply**

**6.10**

**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**6.10.1 Minor & 6.10.2 Major**

The price of FFB is determined by the company in accordance with the agreement between the company and the FFB suppliers. Information of FFB price will transfer to the FFB supplier by message every afternoon for next day. Based on the results of interviews with the FFB suppliers known that the supplier agreed that the price set by the company and there are no complaints related to FFB Prices or payment system.

**6.10.3 Minor & 6.10.4 Minor**

The company already possessed cooperation agreement with local business which is jointly arranged and agreed as well as describes about scope of work, work facilities procurement, price and payment method, work addition or reduction, time period, manpower insurance and employment, workplace accident, provision of work execution, work transfer, negligence and penalty as well as dispute settlement. Based on the results of interviews with FFB contractor it was submitted that the entire contents of the agreement are fair and transparent are known by both parties. FFB payments are made twice a week through bank transfer and there are no complaints related to FFB payments.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1 Minor & 6.11.2 Minor**

Based on interviews with local communities, the needs of community's priorities are employment, the other thing is the improvement of public facilities and funds. The local communities stated that companies are very helpful in providing employment and business opportunities. Most of The workers are came from the local community, The companies also has empowered local contractors through the cooperation contract. The companies has also helped repair rural roads, masque and sport equipment by CSR programs. Based on the results of document review, stakeholder interviews and field visits also known there is no scheme smallholders.

**Status: Comply**

**6.12**

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

**6.12.1 Major, 6.12.2 Minor & 6.12.3 Major**

Based on employment documents verification, field observation, interview with Worker Unions and Labour Agency, it is known that workers are permanent worker, contract workers and daily paid workers. There are no migrant workers, no substitution contracts, no labor trade or forced labor forms were found. All workers has been equipped with the Working Agreement that has been agreed together.

Based on The results of field visits in Pangkatan Estate and Sennah Estate on harvest activities are not found child labor. Harvester using their families for loose fruit collecting which are their wives who have had a contract with the company with a bulk payment system based on their work accordance with wage regulation.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**



<b>6.13.1 Major</b>	<p>The Policy related to respect for human rights is stated in Corporate Social Responsibility Policy was ratified on 27 April 2015 by the President Director. Based on visit to the office in Sennah Estate, Pangkatan Estate and Pangkatan Mill, it is known that the policy of respect for Human Rights has been mounted on the wall in front of the office space in order to be easily known by stakeholders and employees. Based on interviews with workers, Worker Unions and Labour Agency, there are no issues regarding human right violation issues, the worker welfare, no discrimination against workers and company has granting of right in accordance with the agreement.</p>
	<p><b>Status: Comply</b></p>
<b>PRINCIPLE #7 Responsible development of new plantings</b>	
<p><b>7.1</b>  <b>A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b></p>	
<p><b>7.1.1; 7.1.2; 7.1.3</b>            Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.</p>	
	<p><b>Status: Comply</b></p>
<p><b>7.2</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></p>	
<p><b>7.2.1 &amp; 7.2.2</b>            Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.</p>	
	<p><b>Status: Comply</b></p>
<p><b>7.3</b>  <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b></p>	
<p><b>7.3.1; 7.3.2; 7.3.3; 7.3.4; 7.3.5</b>            The certification units are one of long-established plantations company since Dutch colonial era.            Disclosure of Liability for MP Evans Group PLC (and its subsidiaries) has been submitted to the RSPO on 23 July 2014 and RSPO stated <b>have no non-compliant land clearance</b>. All subsidiaries of MP Evans Group PLC are:</p> <ol style="list-style-type: none"> <li>1. PT Pangkatan Indonesia (North Sumatera)</li> <li>2. PT Bilah Plantindo (North Sumatera)</li> <li>3. PT Sembada Sennah Maju (North Sumatera)</li> <li>4. PT Simpang Kiri Plantation Indonesia (Aceh)</li> <li>5. PT Gunung Pelawan Lestari (Bangka)</li> <li>6. PT Prima Mitrajaya Mandiri (East Kalimantan)</li> <li>7. PT Teguh Jayaprima Abadi (East Kalimantan)</li> <li>8. PT Evans Lestari (South Sumatera)</li> </ol>	
<p>According to these, MP Evans Group PLC and its subsidiaries does not necessary to made Land Use Change Analysis.</p>	
	<p><b>Status: Comply</b></p>
<p><b>7.4</b>  <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b></p>	
<p><b>7.4.1 &amp; 7.4.2</b>            Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.</p>	

	<b>Status: Comply</b>	
<b>7.5</b>		
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, 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>7.5.1</b>		
Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014. Regarding FPIC mechanism, please refer to Criteria 2.2 and Criteria 2.3.		
	<b>Status: Comply</b>	
<b>7.6</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 free, prior and informed consent and negotiated agreements.</b>		
<b>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6</b>		
Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014. Regarding FPIC mechanism, please refer to Criteria 2.2 and Criteria 2.3.		
	<b>Status: Comply</b>	
<b>7.7</b>		
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.		
	<b>Status:</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.		
	<b>Status:</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<b>Environmental aspect :</b>		
Companies have plans and implementation to reduce or minimize GHG emissions are explained In the following documents:		
<ul style="list-style-type: none"> <li>• Based on document review and field visit, information was obtained that the companies have identified and managed GHG emissions, for example: GHG emissions from transportation, GHG emissions from land clearing etc.</li> <li>• There are woody plants on the border of the kundur river and around the mill.</li> <li>• Implementation of GHG emission management such as: (1) chemical use as recommended, (2) management of waste water in WWTP and applied to soil, (3) repairing transportation machine regularly and calculating GHG emission.</li> <li>• POME activities have been monitored by officer, example monitoring of waste discharge into ponds, flow meter conditions, etc.</li> </ul>		
The certificate holder shows the RSPO Internal Audit Report document, 17 - 18 February 2017, with findings related to employee understanding, hydrant, housing, generator room, WTP, Station clarification, workshop, office, security post and others. For example at the station WTP found the respirator mask is not feasible to use and hydrant no. 3, 4 and 5 is		

very difficult to open the valve must use the help of the hammer.

The certificate holder shows the RSPO Audit Internal Records Report document that explains that all findings have been fulfilled on March 17, 2017.

<b>Status: Comply</b>
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**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements								
<b>E.1</b>	<b>Definition</b>								
<p><b>E.1.1</b>  <b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p>									
<p>Pangkalan POM applied Supply Chain Model Mass Balance due to FFB's entering the Mill is from Certified and Non-Certified sources.            Certified sources is comprising from owned certified land base and other certified area but still one group company.            Certification scope (RSPO Certified):</p> <ol style="list-style-type: none"> <li>1. Pangkatan Estate / PGE (PT. Pangkatan Indonesia)</li> <li>2. Sennah Estate / SNE (PT. Sembada Sennah Maju)</li> <li>3. Bilah Estate / BIE (PT. Bilah Plantindo)</li> </ol> <p>Independent FFB's suppliers/collectors (Non-Certified):</p> <ol style="list-style-type: none"> <li>1. Haji Abdul Gani (RAMP GN). Kec. NA IX, Kab. Labuhanbatu Utara.</li> <li>2. Marihot Sibarani (RAMP AA). Kec. Pangkatan, Kab. Labuhanbatu</li> <li>3. Fier Megi Nasution (RAMP 188). Kec. Bilah Ilir, Kab. Labuhanbatu</li> <li>4. Simson Pinem (RAMP CV ULTRA). Kec. Aek Natas, Kab. Labuhanbatu Utara</li> <li>5. Hasim (RAMP HSN). Kec. Rantau Utara, Kab. Labuhanbatu</li> <li>6. Edi Trulin Bangun (RAMP NAZWA). Kec. Pangkatan, Kab. Labuhanbatu</li> <li>7. Pendi Marico (RAMP MT). Kec. Pangkatan, Kab. Labuhanbatu</li> <li>8. Dewin (RAMP DW). Kec. Negeri Lama, Kab. Labuhanbatu</li> <li>9. Naga Tutur (RAMP NAGA TUTUR). Kec. Negeri Lama, Kab. Labuhanbatu</li> <li>10. M. Dayan (RAMP AHJ). Kec. Negeri Lama, Kab. Labuhanbatu</li> <li>11. Hendra (RAMP EB). Kec. Negeri Lama, Kab. Labuhanbatu</li> <li>12. Redi Sinulingga (RAMP TERANG). Kec. Pematang Celeng, Kab. Labuhanbatu.</li> </ol> <p>For non-certified sources is from independent suppliers. Therefore, Pangkatan POM can only claim of their product as Mass Balance.</p>									
<b>Status: COMPLY</b>									
<b>E.2</b>	<b>Explanation</b>								
<p><b>E.2.1</b>  <b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p>									
<p>The estimated tonnage of CPO and PK products that could potentially be produced by Pangkatan POM has been recorded by CB in annex of certificate and basic information within the report. This figure represented as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Product</th> <th style="text-align: center;">Estimated based on Annex 5 Certificate MUTU-RSPO/051 period 19 October</th> <th style="text-align: center;">Actual production of certified product based on Pangkatan POM records period</th> <th style="text-align: center;">Estimated potentially product for next period</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Product	Estimated based on Annex 5 Certificate MUTU-RSPO/051 period 19 October	Actual production of certified product based on Pangkatan POM records period	Estimated potentially product for next period				
Product	Estimated based on Annex 5 Certificate MUTU-RSPO/051 period 19 October	Actual production of certified product based on Pangkatan POM records period	Estimated potentially product for next period						

	2016 – 18 October 2017	19 October 2016 – 5 September 2017	
<b>FFB</b>	181,284	132,990.66	181,284
<b>CSPO</b>	42,602	30,559.89	42,602
<b>CSPK</b>	9,971	7,450.67	9,971

Estimation of certified volume product same as previous period considering there were still ongoing replanting activities.

**Status: COMPLY**

### E.2.2

**The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).**

Pangkalan POM has met all registration and reporting requirements for RSPO supply chain platform.

RSPO Registration Member based on Member Directory in RSPO Palm Trace:

Member Information	
Member Name	Pangkalan Palm Oil Mill
Member ID	RSPO_PO1000000283
Member Country	INDONESIA
Member Category	Oil Mill
Core Product	Palm Oil

License Information	
License ID	CB43092
Issued By	PT Mutuagung Lestari
Issued On	10/15/2016
Start Date	10/19/2016
End Date	10/18/2017
License Status	Active

Product	Program	Volume*	Remaining Volume*	Trading Stock
CPO	Mass Balance	42,602	10,002	N/A
Palm KernelPK	Mass Balance	9,971	2,111	N/A

**Status: COMPLY**

### E.3 Documented procedures

#### E.3.1

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:**

- Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

- Pangkalan POM – PT Pangkatan Indonesia have some procedures related to supply chain system implementation – Supply Chain:
  - ❖ SOP of RSPO Sustainability Manual Mill No.DSL/Manual RSPO/4.1/9 Revisi-1 dated 1st of December 2014.
  - ❖ Procedure (SOP) of CPO and PK tender (No.PI/SOP/MD-01 1st of January 2013:

- (4.1.2) Mill delivers Daily report which consists of production data, certified and non-certified CPO and PK transport and stocks
- (4.1.16) Marketing Department will issue “SALES CONTRACT” signed by Director or Authorized Representative of Director
- (4.1.20) Marketing Department shall publish/inform Miller regarding CPO/PK type/classification being sold whether it is Certified or Non-Certified
- (4.1.21) Marketing Department prepares “Delivery Order / DO” for CPO and PK transport by miller
- ❖ Procedure of FFB Receiveing from Outcrops “SOP Penerimaan TBS Luar (No. Dokumen: SOP/PGM/14) Rev. 1, tertanggal 1 Januari 2017”.

b. Management Function & Job Description, such as:

- Mill Manager. is chairman of Sustainability Management Team (SMT) which overall responsibility is ensuring that RSPO system is executed, implemented and maintained. Being responsible for maintaining all RSPO documentation and information
- Assistant/Head Assistant/Clerk of Sustainability & Certification.
  - Being responsible for maintaining all RSPO documentation and information
  - Ensuring that all RSPO information which is need for audit
  - Ensuring that all RSPO verification information which is needed have been correctly recorded and being reported for all certified and non certified FFB, CPO, Palm Kernel
- Weighbridge Operator
  - Examining all consignment records of FBB truckloads which are received from all plantation to installed mill in order to gain all necessary information
  - Inputting information of consignment record that enter mill's weigher through computerized reporting system
  - Assuring if FFB consignment that enter the mill is certified or non certified
  - Inputting all incoming FFB data into daily report
  - Weighbridge officer assures that the covering letter of weighed FFB are marked or stamped indicating if it is certified or non-certified (Sustainable or Non-Sustainable).

According to field observation and direct interview with Weighbridge operator, it was clearly explained that all relevant officer who related within supply chain implementation has had periodical training/refreshment on Supply chain requirements. The latest training was conducted in 1<sup>st</sup> July 2017 for RSPO and ISCC scheme.

**Status: COMPLY**

**E.3.2**

**The site shall have documented procedures for receiving and processing certified and non-certified FFBs.**

Pangkalan POM has had relevant procedures regarding of FFB's receiving:

- SOP/4.1/1 Revision 2 dated 1st of February 2014. Concerning of instruction in FFB's entering the Mill.
- Procedure of FFB Receiveing from Outcrops “SOP Penerimaan TBS Luar (No. Dokumen: SOP/PGM/14) Rev. 1, tertanggal 1 Januari 2017”.
- RSPO Sustainability Manual Mill No.DSL/Manual RSPO/4.1/9 Revisi-1 dated 1st of December 2014.

Meanwhile, Pangkatan POM does not have specific procedures for processing of certified and non-certified FFB's. All the FFB's entering the mill is using Mill processing procedures. Segregation of FFB received, processed and product output is only representing on Mass Balance records with sources from Weighbridge record data.

**Status: COMPLY**

**E.4**

**Purchasing and goods in**

**E.4.1**

**The site shall verify and document the volumes of certified and non-certified FFBs received.**

According to field observation and direct interview with Weighbridge operator, it was clearly explained that all relevant officer who related within supply chain implementation has had periodical training/refreshment on Supply chain requirements. The latest training was conducted in 1<sup>st</sup> July 2017 for RSPO and ISCC scheme.

All FFB's receiving from Certified and Non-Certified are well recorded and documented through WB system (Lintramx) and

manual record.

FFB Received Pangkatan POM Period 19 October 2016 - 5 September 2017 (in Metric Tonnes)						
Period	PGE	SNE	BIE	Total	Outcrops	Grand Total
19 Oct 2016 - 31 Dec 2016	15,768.91	7,148.50	9,704.97	32,622.38	4,027.31	36,649.69
Jan-Mar 2017	13,042.04	8,666.95	11,764.53	33,473.52	1,385.05	34,858.57
Apr - Jun 2017	11,664.98	9,552.42	12,294.80	33,512.20	3,455.76	36,967.96
Jul - 5 Sep 2017	12,702.97	8,850.28	11,829.31	33,382.56	5,842.91	39,225.47
<b>Total</b>	<b>53,178.90</b>	<b>34,218.15</b>	<b>45,593.61</b>	<b>132,990.66</b>	<b>14,711.03</b>	<b>147,701.69</b>

External (Non-Certified)	Code	19-31 Oct 2016	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	1-5 Sep 2017	Total
Haji Abdul Gani	RAMP GN	-	-	-	-	-	-	-	-	-	-	-	-	-
Marihot Sibarani	RAMP AA	-	134.09	1,014.84	496.29	117.24	29.46	243.37	345.91	782.33	513.33	639.15	43.71	4,359.72
Fier Megi Nasution	RAMP 188	-	-	-	-	-	-	-	-	-	-	-	-	-
Simson Pinem	RAMP CV. ULTRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Hasim	RAMP HSN	-	-	-	-	-	-	-	-	-	-	-	-	-
Edi Trulin Bangun	RAMP NAZWA	-	-	-	-	-	-	-	-	-	-	-	-	-
Pendi Marico	RAMP MT	168.44	14.92	85.87	-	-	-	-	-	-	-	613.98	38.78	921.99
Dewi	RAMP DW	-	-	-	-	-	-	-	-	-	-	-	-	-
Naga Tuttur	RAMP NAGA TUTUR	-	-	-	-	-	-	-	-	-	865.49	549.83	16.95	1,432.27
M. Dayan	RAMP AHJ	3.76	242.01	83.87	51.01	12.71	52.26	-	-	178.02	352.23	181.86	19.23	1,176.96
Hendra	RAMP EB	35.54	1,285.24	958.73	224.99	155.88	245.21	505.56	562.50	838.07	1,120.37	880.89	7.11	6,820.09
Redi Sinulingga	RAMP TERANG	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total</b>		<b>207.74</b>	<b>1,676.26</b>	<b>2,143.31</b>	<b>772.29</b>	<b>285.83</b>	<b>326.93</b>	<b>748.93</b>	<b>908.41</b>	<b>1,798.42</b>	<b>2,851.42</b>	<b>2,865.71</b>	<b>125.78</b>	<b>14,711.03</b>

**Status: COMPLY**

**E.4.2**

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

Based on estimation and actual of certified production from ASA-3 and ASA-4 up to Re-Certification audit, described as follows:

Product	Estimated based on Annex Certificate ASA-3 period 19 October 2015 – 18 October 2016	Actual production of certified product period 19 October 2015 – 18 October 2016	Remarks	Estimated based on Annex 5 Certificate MUTU-RSPO/051 period 19 October 2016 – 18 October 2017	Actual production of certified product based on Pangkatan POM records period 19 October 2016 – 7 September 2017	Remarks
FFB	144,273	141,922.44	Below	181,284	132,990.66	Below
CSPO	34,048	33,875.17	Below	42,602	30,559.89	Below
CSPK	8,512	8,051.01	Below	9,971	7,450.67	Below

It was clear that Pangkatan POM never had an overprojection of certified tonnage.

**Status: COMPLY**

**E.5 Record keeping**

**E.5.1**

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

Pangkalan POM has recorded and balanced all receipt of RSP certified FFB and deliveries of RSPO certified products.

FFB Received Pangkatan POM Period 19 October 2016 - 5 September 2017 (in Metric Tonnes)						
Period	PGE	SNE	BIE	Total	Outcrops	Grand Total
19 Oct 2016 - 31 Dec 2016	15,768.91	7,148.50	9,704.97	32,622.38	4,027.31	36,649.69
Jan-Mar 2017	13,042.04	8,666.95	11,764.53	33,473.52	1,385.05	34,858.57
Apr - Jun 2017	11,664.98	9,552.42	12,294.80	33,512.20	3,455.76	36,967.96
Jul - 5 Sep 2017	12,702.97	8,850.28	11,829.31	33,382.56	5,842.91	39,225.47
<b>Total</b>	<b>53,178.90</b>	<b>34,218.15</b>	<b>45,593.61</b>	<b>132,990.66</b>	<b>14,711.03</b>	<b>147,701.69</b>

CPO Production Period 19 October 2016 - 5 September 2017 (in Metric Tonnes)			
Period	Sustainable	Non-Sustainable	Total
19 Oct 2016 - 31 Dec 2016	7,494.19	921.25	8,415.44
Jan-Mar 2017	8,028.06	325.35	8,353.41
Apr - Jun 2017	7,813.24	801.48	8,614.72
Jul - 5 Sep 2017	7,481.11	1,308.54	8,789.65
<b>Total</b>	<b>30,816.60</b>	<b>3,356.62</b>	<b>34,173.22</b>

PK Production Period 19 October 2016 - 5 September 2017 (in Metric Tonnes)			
Period	Sustainable	Non-Sustainable	Total
19 Oct 2016 - 31 Dec 2016	1,724.46	28.13	1,752.59
Jan-Mar 2017	1,623.75	79.52	1,703.27
Apr - Jun 2017	1,705.67	-	1,705.67
Jul - 5 Sep 2017	2,804.12	163.59	2,967.71
<b>Total</b>	<b>7,858.00</b>	<b>271.24</b>	<b>8,129.24</b>

Data PalmTrace versi CB

Product	Program	Volume*	Remaining Volume*	Sales
CPO	Mass Balance	42,602	10,002	32,600
Palm Kernel/PK	Mass Balance	9,971	2,111	7,860

Data PalmTrace versi User

CSPO-RSPO MB	CSPK-RSPO MB	CPO-ISCC	Credit Allocation Book & Claim	CPO Sold
6,500.00	7,860.00	25,100.00	1,000.00	32,600.00

CPO Sales Pangkatan POM period 19 October 2016 - 5 September 2017 based on PalmTrace

Period	CSPO - RSPO MB	ISCC	Others	Total
19 Oct 2016 - 31 Dec 2016	2,500.00	-	-	2,500.00
Jan-Mar 2017	3,000.00	11,900.00	1,000.00	15,900.00
Apr - Jun 2017	1,000.00	6,300.00	-	7,300.00
Jul - 5 Sep 2017	-	6,900.00	-	6,900.00
<b>Total</b>	<b>6,500.00</b>	<b>25,100.00</b>	<b>1,000.00</b>	<b>32,600.00</b>

**Author:**  
Credit Allocation for Book & Claim.  
Actual: not yet sold.

PK Sales Pangkatan POM period 19 October 2016 - 5 September 2017 based on PalmTrace

Period	CSPK - RSPO MB	ISCC	Non-claims	Total
19 Oct 2016 - 31 Dec 2016	2,320.00	-	-	2,320.00
Jan-Mar 2017	2,210.00	-	-	2,210.00
Apr - Jun 2017	1,695.00	-	-	1,695.00
Jul - 5 Sep 2017	1,635.00	-	-	1,635.00
<b>Total</b>	<b>7,860.00</b>	<b>-</b>	<b>-</b>	<b>7,860.00</b>



Details Transaction PalmTrace versi User period 19 October 2016 - 5 September 2017						
Shipping Date	Seller	Buyer	Product	Program	Volume	Status
19-Oct-16	Pangkalan POM	PT Musim Mas	CSPK	RSPO MB	280.00	Confirmed
19-Oct-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	275.00	Confirmed
27-Oct-16	Pangkalan POM	PT Musim Mas	CSPK	RSPO MB	200.00	Confirmed
3-Nov-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	1,000.00	Confirmed
4-Nov-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	275.00	Confirmed
14-Nov-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	500.00	Confirmed
14-Nov-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	100.00	Confirmed
16-Nov-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	180.00	Confirmed
8-Dec-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	75.00	Confirmed
9-Dec-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	200.00	Confirmed
23-Dec-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	280.00	Confirmed
27-Dec-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	1,000.00	Confirmed
27-Dec-16	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	180.00	Confirmed
28-Dec-16	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	275.00	Confirmed
2-Jan-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	230.00	Confirmed
9-Jan-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	1,200.00	Confirmed
10-Jan-17	Pangkalan POM		CPO	ISCC	1,500.00	Sold
13-Jan-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	75.00	Confirmed
17-Jan-17	Pangkalan POM		CPO	ISCC	4,500.00	Sold
17-Jan-17	Pangkalan POM		CPO	ISCC	1,800.00	Sold
19-Jan-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	75.00	Confirmed
20-Jan-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	130.00	Confirmed
23-Jan-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	800.00	Confirmed
7-Feb-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	250.00	Confirmed
8-Feb-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	230.00	Confirmed
17-Feb-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	250.00	Confirmed
20-Feb-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	150.00	Confirmed
24-Feb-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	120.00	Confirmed
24-Feb-17	Pangkalan POM		CPO	ISCC	500.00	Sold
9-Mar-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	300.00	Confirmed
15-Mar-17	Pangkalan POM		CPO	ISCC	800.00	Sold
15-Mar-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
15-Mar-17	Pangkalan POM		CPO	Book & Claim	1,000.00	Credit Allocation
16-Mar-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	1,000.00	Confirmed
21-Mar-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	250.00	Confirmed
22-Mar-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
27-Mar-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	150.00	Confirmed
31-Mar-17	Pangkalan POM		CPO	ISCC	800.00	Sold
5-Apr-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	100.00	Confirmed
6-Apr-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
13-Apr-17	Pangkalan POM		CPO	ISCC	700.00	Sold
17-Apr-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	200.00	Confirmed
26-Apr-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	250.00	Confirmed
2-May-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	1,000.00	Confirmed
3-May-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	100.00	Confirmed
3-May-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	120.00	Confirmed
4-May-17	Pangkalan POM		CPO	ISCC	800.00	Sold
4-May-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
8-May-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	150.00	Confirmed
16-May-17	Pangkalan POM		CPO	ISCC	800.00	Sold
17-May-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
22-May-17	Pangkalan POM	Mandau KCP	CSPK	RSPO MB	125.00	Confirmed
26-May-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
7-Jun-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	350.00	Confirmed
8-Jun-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	150.00	Confirmed
19-Jun-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	150.00	Confirmed
5-Jul-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	225.00	Confirmed
5-Jul-17	Pangkalan POM	PT SMART, Tbk	CSPK	RSPO MB	180.00	Confirmed
6-Jul-17	Pangkalan POM		CPO	ISCC	800.00	Sold
6-Jul-17	Pangkalan POM		CPO	ISCC	700.00	Sold
6-Jul-17	Pangkalan POM		CPO	ISCC	800.00	Sold
6-Jul-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
13-Jul-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	275.00	Confirmed
21-Jul-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
21-Jul-17	Pangkalan POM		CPO	ISCC	1,000.00	Sold
31-Jul-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	180.00	Confirmed
4-Aug-17	Pangkalan POM	PT Sari Dumai Sejati	CSPK	RSPO MB	300.00	Confirmed
7-Aug-17	Pangkalan POM		CPO	ISCC	800.00	Sold
7-Aug-17	Pangkalan POM		CPO	ISCC	800.00	Sold
8-Aug-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	100.00	Confirmed
11-Aug-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	225.00	Confirmed
18-Aug-17	Pangkalan POM	PT Multimas Nabati Asahan	CSPK	RSPO MB	150.00	Confirmed

**Status: COMPLY**

**E.5.2**

**In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.**

Pangkalan POM does not installed KCP, the entire of palm kernel produced by the mill are direct selling to the buyer.

**Status: COMPLY**

**3.3 Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>RE-CERT</b>	Pangkalan POM and its supply bases were never used neither CB logo nor RSPO logo for their sales transaction.	√
	<b>Status: COMPLY</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>RE-CERT</b>	Pangkalan POM and its supply bases were never used neither CB logo nor RSPO logo for their sales transaction.	√
	<b>Status: COMPLY</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>RE-CERT</b>	Pangkalan POM and its supply bases were never used neither CB logo nor RSPO logo for their sales transaction.	√
	<b>Status: COMPLY</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>RE-CERT</b>	Pangkalan POM and its supply bases were never used neither CB logo nor RSPO logo for their sales transaction.	√
	<b>Status: COMPLY</b>	

**3.4 Summary of RSPO Partial Certification**

Compliance of the uncertified management units of MP Evans Group PLC against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

MP Evans Group PLC Time Bound Plan (TBP) is explained in table 1.10. MP Evans Group PLC has sixteen (16) management units with three (3) mills. MP Evans Group PLC has informed the TBP progress, MUTU has considered that MP Evans Group PLC is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by MP Evans Group PLC on 7 October 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of MP Evans Group PLC based on their Time Bound Plan. There are one (1) uncertified mills and six (6) uncertified estates of MP Evans Group PLC. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes and positive assurance is developed under MP Evans Group PLC  <b>Auditor verification</b> Based on the document review, there is a company internal audit that was conducted on 20 and 21 February 2017 and the positive assurance is at this table that is also been verified.
2.1.2	No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<ul style="list-style-type: none"> <li>- <b>PT. Simpang Kiri Plantation Indonesia.</b> RACP is not applied for this unit because the last land clearing was conducted before November 2005. The unit does not have mill.</li> <li>- <b>PT. Gunung Pelawan Lestari,</b> The unit is not applied RACP since the land clearing was done after the study of environmental (biodiversity value) and social impact assessment of palm oil development in May 2005 by Environmental Management &amp; Monitoring Pty Ltd.</li> <li>- The unit re-identify HCV and SIA assessment on January 2013 by Aksenta Consultant and has also conducted NPP to PT Gunung Pelawan</li> </ul>

		<p>Lestari on 17 December 2013 by Certification Body of Control Union.</p> <ul style="list-style-type: none"> <li>- <b>PT. Evans Lestari (PT.EL)</b> has conducted HCV and SIA identification by Forestry Faculty of Institute Pertanian Bogor (IPB) on March 2013 led by Dr. Ir. Jarwadi Budi Hernowo Msc. before land clearing, therefore the unit has no liability related to RACP. PT Evans Lestari also conducted NPP on 17 December 2013 conducted by Certification Body of Control Union.</li> </ul> <p><b>Auditor verification</b> Based on internal audit results and evidence provided (communication to RSPO on liability disclosure) the three uncertified units of:</p> <p><b>PT Simpang Kiri Plantation Indonesia:</b> Last land clearing happened before November 2005 and there is no new land clearing of new planting.</p> <p><b>PT Gunung Pelawan Lestari</b> Has conducted environmental and social impact assessment before land clearing. Liability of disclosure has been sent to ke RSPO Compensation Team on 23 July 2014.</p> <p><b>PT Evans Lestari</b> Land clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing. Liability of disclosure has been sent to RSPO Compensation Team on 23 July 2014.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>New planting/land clearing after 1<sup>st</sup> January 2010.</p> <p><b>Auditor verification</b> Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1<sup>st</sup> January 2010 for PT Gunung Pelawan Lestari and PT Evans Lestari but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There are no land conflicts.</p> <p><b>Auditor verification</b> Based on evidence provided, the company merely conducted planting on the area that has been compensated from the land owner by FPIC. The documentation of each land compensation/leasing is documented.</p>
2.1.5	Any Labour disputes are being resolved through a	There are no labor disputes. There is no information

	<p>mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p><b>Auditor verification</b> There is no indication of labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries and also from stakeholder consultation during 1<sup>st</sup> surveillance audit of the PT PMM.</p>
<p>2.1.6</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Yes, there is process for land legality.</p> <p><b>Auditor verification</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <p><b>Update legal for PT Pelawan Lestari:</b> the unit has got clear land deed and no new plantation area expansion.</p> <p><b>Update legal for PT Pelawan Lestari:</b> new HGU proposal for company owned estate and KKPS of the company</p> <p><b>Update legal for PT Evans Lestari:</b> the company has got plantation business permit (IUP) from Bupati Decree of Musi Rawas No. 891/KPTS/Disbun/2012 dated 12 November 2012 for 20,000 ha. It is in accordance with the scale of the company location permit (Decree of Bupati Musi Rawas No. 578/KPTS/BPM=PTP/2012 dated 30 October 2012 for 20,000 ha). However the location permit has been expired – need further HGU process information or any other legal process.</p>

**3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**

**3.5.1 Identification of Findings, Corrective Actions and Observations at *Re-Certification* Assessment**

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
DURING RE-CERTIFICATION ASSESSMENT, THERE WERE NO FOUND OF NON-CONFORMITIES AGAINST TO ALL RSPO P&C AND SUPPLY CHAIN STANDARD.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b> :			

**3.5.2 Opportunity for Improvement**

No	Ref Std	Descriptions
1	5.3.3	Implementation of hazardous waste transportation management plan
2	6.1.4	Specifically of social management review, particularly for Kampung Tempel

**3.5.3 Noteworthy Positive Components**

No	Descriptions
1	Consistency to implement of Sustainability
2	Competency of person in charge during audit assistances
3	Maintaining of tree stands along the boundary managed area and surrounding the plantation company
4	Very well of water management

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Labor Agency of Labuhanbatu district</b></p> <p>The Companies have implemented the payment of wages for employees refers to the minimum wage at Labuhanbatu District 2017.</p> <p>All employees have employment agreements and there were no issues or violations committed by Companies related to worker welfare included in payment.</p> <p>There are no issues of migrant workers, no child workers, no substitution contracts, no labor trade or forced labor forms.</p> <p>All mandatory reports related to employment have reported well</p>	<p>It has been verified and stated under principle 6 in the report</p>
<p><b>Agriculture Agency of Labuhanbatu District</b></p> <p>The Communication goes well, all mandatory reports related to plantation operation have reported well.</p> <p>There is no issues of land fires and Tools and fire brigade personnel are sufficient.</p> <p>The company has been doing CSR activities in the field of education, regional development.</p>	<p>It has been verified and stated under Criteria 1.1; 2.1; 4.7; and 6.10 on The report</p>
<p><b>Environmental Agency of Labuhan Batu District.</b></p> <p>The Communication goes well, all mandatory reports related to plantation operation have reported well. The companies have all environment permit.</p> <p>Composting activities at PT Pangkatan Indonesia has been entered in the UKL / UPL document in 2010. Reporting UKL / UPL has been submitted regularly every 6 months by the company.</p> <p>There are no complaints of environmental pollution caused by operational companies on the public.</p>	<p>It has been verified and stated under principle 5 on The report</p>
<p><b>Local NGO (TRC Nasional)</b></p> <p>The Communities have a good relationship with the company. Job opportunities as workers both in mill and estate are always open. The companies has also helped repair rural roads, masque and sport equipment by CSR programs</p> <p>All employees have employment agreements and there were no issues or violations committed by Companies related to</p>	<p>It has been verified and stated under principle 6 in the report</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>worker welfare included in payment.</p> <p>There are no issues of migrant workers, no child workers, no substitution contracts, no labor trade or forced labor forms.</p>	
<p><b>Chief of Sidorukun village, Perkebunan Pangkatan Village and Perkebunan Sennah Village</b></p> <p>The Communities have a good relationship with the company. Job opportunities as workers both in mill and estate are always open. The companies has also helped repair rural roads, masque and sport equipment by CSR programs</p> <p>Easiness of communication with the company was make the relationship are very well developed. Land dispute/conflict in the company managed area is absence.</p>	<p>It has been verify and stated under Principle 1, 2 and 6 in the report.</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>• There is no negative issues such as discrimination and sexual abuse or child labor.</li> <li>• Management of the gender committee has the program associated with sexual harassment policies, protection of reproductive rights. Socialization also includes a ban on pregnant and lactating women to spray. Socialization is delivered through meetings like recitation etc.</li> </ul>	<p>It has been verified and stated under principle 6 in the report</p>
<p><b>FFB Supplier</b></p> <p>The Communication goes well and The Supplier understand The communication and complaints mechanism.</p> <p>The supplier agreed that the price set by the company and there are no complaints related to FFB Prices or payment system. The entire contents of the agreement are fair and transparent are known by both parties.</p>	<p>It has been verified and stated under criteria 6.10 in the report</p>
<p><b>Worker Union (Serikat Pekerja Pangkatan Mandiri/ SPPM and Serikat Pekerja Sennah Mandiri/ SPSM)</b></p> <ul style="list-style-type: none"> <li>• Unions are always informed if there is new information</li> <li>• Unions have representatives in each division</li> <li>• Internal union meetings are held at least every 3 months and with the company once a month or if needed can be done at any time</li> <li>• The union knows that there is an agreement between the brondolan and the company's kutib</li> <li>• The wage paid by the company is in accordance with the district minimum wage</li> <li>• The company supports trade union activities by providing secretarial space</li> </ul>	<p>It has been verified and stated under principle 6 in the report</p>

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

**4.1 Formal Sign-off of Assessment Findings**


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.

Signed on behalf of:

PT Pangkatan Indonesia  
Head Of Operation Agronomy-SUMUT

Mutuagung Lestari  
Lead Auditor

**PT PANGKATAN INDONESIA**



Gunasekaran V. Utthitadam

Thursday, 14 September 2017



**YUDWI WISNU RAHMANTO**

Thursday, 14 September 2017

**APPENDICES**

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Labor Agency of Labuhanbatu district.	District of Labuhan Batu	-	Interview	5 September 2017	√	
2.	Agriculture Agency of Labuhanbatu District	District of Labuhan Batu	-	Interview	5 September 2017	√	
3.	Environmental Agency of Labuhan Batu District.	District of Labuhan Batu	-	Interview	5 September 2017	√	
4.	Local NGO (TRC Nasional)	District of Labuhan Batu	-	Interview	5 September 2017	√	
5.	Sidorukun village	Sidorukun village, District of Labuhan Batu	-	Interview	5 September 2017	√	
6.	Perkebunan Pangkatan Village	Perkebunan Pangkatan Village, District of Labuhan Batu	-	Interview	6 September 2017	√	
7.	Perkebunan Sennah Village	Perkebunan Sennah Village, District of Labuhan Batu	-	Interview	6 September 2017	√	
8.	Gender Committee	District of Labuhan Batu	-	Interview	5-6 September 2017	√	
9.	Worker Union (Serikat Pekerja Pangkatan Mandiri/ SPPM)	District of Labuhan Batu	-	Interview	5-6 September 2017	√	
10.	Worker Union (Serikat Pekerja Sennah Mandiri/ SPSM)	District of Labuhan Batu	-	Interview	5-6 September 2017	√	
11.	FFB Supplier	District of Labuhan Batu	-	Interview	7 September 2017	√	
12.	Sawit Watch	-	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questioner	28 August 2017		√
13.	WWF	-	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questioner	28 August 2017		√
14.	Walhi	-	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questioner	28 August 2017		√
15.	TUK Indonesia	-	<a href="mailto:office@tuk.or.id">office@tuk.or.id</a>	Questioner	28 August 2017		√
16.	<ul style="list-style-type: none"> <li>• 7 Male spraying workers → Pangkatan Estate</li> <li>• 4 Male spraying workers → Sennah Estate</li> </ul>	PT Pangkatan Indonesia					

<ul style="list-style-type: none"> <li>• 3 harvester and 3 loose fruit collector → Pangkatan Estate</li> <li>• 1 harvester and 1 loose fruit collector → Sennah Estate</li> <li>• 1 Male and 5 Female Fertilizer workers → Pangkatan Estate</li> <li>• 8 Female Fertilizer workers → Pangkatan Estate</li> <li>• 7 Mill station workers → Pangkatan Mill</li> </ul>						
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**Appendix 2. Assessment Program**

DATE	4 <sup>th</sup> – 8 <sup>th</sup> September 2017	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 4<sup>th</sup> September 2017</b>		
05.35 – 09.00	<b>JAKARTA → KUALANAMU → MEDAN Train Station</b>	• YWR / LEO / RAH / AFN
10.30 – 16.30	<b>MEDAN Train Station → RANTAU PRAPAT Train Station</b>	
16.30 – 17.00	<b>RANTAU PRAPAT Train Station → PANGKATAN PLANTATION</b>	
17.30 – 18.00	<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>Tuesday, 5<sup>th</sup> September 2017</b>		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations.  Public consultation to relevant statutory bodies  Interview with Gender Committee, Worker’s Union, Worker’s Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier  Field observation to <b>Pangkalan Estate</b> : <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Implementation of HCV management area and legal boundaries.</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	YWR  LEO  RAH  AFN  RAH  YWR  AFN  RAH
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Review of previous assessment findings</li> <li>• Confirmation of Field Observation</li> <li>• Completing Checklist</li> <li>• Verification of Basic Information Mill and Estate</li> <li>• Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any)</li> </ul>	YWR / LEO / RAH / AFN
<b>Wednesday, 6<sup>th</sup> September 2017</b>		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations.  Field observation to <b>Sennah Estate</b> : <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB</li> </ul>	LEO  AFN

DATE	4 <sup>th</sup> – 8 <sup>th</sup> September 2017	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Application) <ul style="list-style-type: none"> <li>Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of HCV management area and legal boundaries.</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	RAH  YWR AFN RAH
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>Review of previous assessment findings</li> <li>Confirmation of Field Observation</li> <li>Completing Checklist</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any)</li> </ul>	YWR / LEO / RAH / AFN
<b>Thursday, 7<sup>th</sup> September 2017</b>		
08.00 – 12.00	<b>Field observation to Pangkatan POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Confirmation of Field Observation</li> <li>Completing Checklist</li> <li>Verification of Basic Information Mill</li> </ul>	• YWR / LEO / RAH / AFN
12.00 – 14.00	<b>LUNCH BREAK</b>	
14.00 – 16.00	<b>Preparing for Closing Meeting (auditor team discussion)</b>	• YWR / LEO / RAH / AFN
16.00 – 17.00	<b>Closing Meeting</b>	• YWR / LEO / RAH / AFN
22.00 – 23.00	Travelling to Rantau Prapat Train Station	
23.00 – 05.00	Travelling Rantau Prapat → Medan	
<b>Friday, 8<sup>th</sup> September 2017</b>		
06.00 – 07.00	Travelling Medan Train Station → KUALANAMU Airport	• YWR / LEO / RAH / AFN
09.00 -	Return Flight to JAKARTA	