



TÜVRheinland[®]
Precisely Right.

Roundtable on Sustainable Palm Oil

Annual Surveillance Audit Report

Report no.: **ASA1-16041**

Surveillance assessment against the

Indonesian National Interpretation of RSPO Principles & Criteria 2013, July 2016 and RSPO SCCS November 2014

Name of client

PT Perkebunan Nusantara III
Rambutan Palm Oil Mill

Head office :

Jl. Sei Batang Hari No. 2 Medan, North Sumatera Province - Indonesia

Site location :

Paya Bagas Village, Tebing Tinggi Sub District, Sedang Bedagai District, North Sumatera Province - Indonesia

Date of surveillance audit : June 05 – 10, 2017

Report prepared by:

Ade Sudiana

(RSPO Lead Auditor Under Monitoring)

Certification decision by:

Abdul Qohar

(Director of TÜV Rheinland Indonesia)

Certification Body:

PT TÜV Rheinland Indonesia

Menara Karya, 10th Floor

Jl. H.R. Rasuna Said Block X-5 Kav.1-2

Jakarta 12950, Indonesia

Tel: +62 21 57944579

Fax: +62 21 57944575

www.tuv.com/id

Accreditation number : RSPO-ACC-013

TABLE OF CONTENTS

1.0 SCOPE OF CERTIFICATION ASSESSMENT	3
2.0. DESCRIPTION OF CERTIFIATION UNIT	4
2.1 Location	4
2.2. Maps	4
2.3. Supply Base Composition	11
2.4 Area of Plantation (Total, Planted and Mature)	12
2.5 Dates of Plantings and Replanting Cycles.....	12
2.6 Volume of CPO and PK recommended for Certification	14
2.7 Organisational Information / Contact Person.....	14
3.0 ASSESSMENT PROCESS.....	16
3.1 Qualifications of Lead Assessor and Assessment Team	16
3.3 Assessment Methodology	19
4.0 STAKEHOLDER CONSULTATION AND STAKEHOLDERS CONTACTED	20
5.0 COMPLIANCE TO OTHER RSPO REQUIREMENT	21
5.1. Time Bound Plan for Other Management Units.....	21
5.2. Compliance to Rules for Partial Certification	21
5.2. Compliance to other RSPO Procedure	21
5.3. Compliance to RSPO Guidance on GHG calculation.....	21
5.4 Plan for certification of associated smallholders.....	21
6.0 ASSESSMENT FINDINGS	22
6.1 Summary of Findings	22
<i>E.1 Definition</i>	<i>50</i>
<i>E.2 Explanation</i>	<i>50</i>
6.2 Status of previously identified non-conformities	53
6.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions.....	57
6.4 Noteworthy Positive Components and Potential for Improvement	91
6.5 Issues Raised by Stakeholders and Findings Pertaining to Issues.....	91
6.6 Recommendation for Certification.....	92
6.7 Date of Certificate Issued and Scope of Certificate.....	92
6.8 Other Achievement s and Certificatio Helds	92
6.9 Date of Next Surveillance Visit.....	92
6.10 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client.....	92
APPENDICES.....	93
Appendix 1: Details of Certificate	93
Appendix 3: List of Abbreviations	101
Appendix 4: List of Stakeholders Interviewed and Contacted	102
Appendix 5.a : Information about companys' ownership for uncertified status	104
Appendix 5.b : Information about companys' ownership for certified status	105
Appendix 5.c : The result of partial certification	106

1.0 SCOPE OF CERTIFICATION ASSESSMENT.

The 1st surveillance assessment was carried out on 1 (one) mill (Rambutan Mill) and 5 (five) estates (Tanah Raja Estate, Gunung Monaco Estate, Silau Dunia Estate, Sarang Ginting Estate and Sei Putih Estate under Rambutan Mill owned by PT Perkebunan Nusantara III (hereinafter referred to as “PTPN III” or “the company”).

The operations of the palm oil mill(s) and its supply base of FFB were assessed against the national interpretation Indonesian (INA-NI) of RSPO Principle and Criteria 2013, July 2016 and the RSPO Supply Chain Certification Systems (SCCS) document 2014, selected Supply Chain Model according to company’s FFB supply base is **MB**

Mill name	Mill1 : Rambutan POM		
	Mill 2 : -		
Supply base name			
Company owned Estate :	1. Tanah Raja estate 2. Gunung Monaco estate 3. Silau Dunia estate 4. Sarang Ginting estate 5. Sei Putih estate		
Other operating estate owned by Company	1. -		
Other Source	1. -		
Supply Chain Model		IP	X MB
National Intepretation used	INA-NI, July 2016		

2.0. DESCRIPTION OF CERTIFICATION UNIT

2.1 Location

Table 1: GPS locations for all estates and mills included in surveillance assessment

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Rambutan Mill	Paya Bagas village, Tebing Tinggi subdistrict, Deli Serdang district, North Sumatra Province.	03° 22' 36" N	99° 09' 56" E
Tanah Raja	Tanah Raja village, Teluk Mengkudu subdistrict, Serdang Bedagai district, North Sumatra Province.	03° 32' 03" N	99° 02' 50" E
Gunung Monaco	Siberau village, Sipispis subdistrict, Serdang Bedagai district, North Sumatra Province.	03° 13' 31" N	98° 59' 60" E
Silau Dunia	Silau Badar – I village, Dolok Masihul subdistrict, Serdang Bedagai district; Silau Dunia village, Silau Kahaen subdistrict, Simalungun district; Ujung Negeri Hulu village, Kotarih subdistrict, Deli Serdang district, North Sumatra Province.	03° 17' 00" N	98° 57' 16,2" E
Sarang Giting	Sarang Giting village, Dolok Masihul subdistrict, Deli Serdang district; Serbajadi village, Serbajadi subdistrict, Sedang Bedagai district, North Sumatra Province.	03° 20' 33" N	98° 58' 35" E
Sei Putih	Sungai Putih village, Galang subdistrict, Deli Serdang district, North Sumatra Province.	03° 24' 35" N	98° 52' 58" E

2.2. Maps

Location of mill and estates in relation to region and maps of entities surrounding the mill and estates on **Figure 1 & 2**.

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-



Figure 1 : The location of PTPN III's 5 estates in North Sumatera Province

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

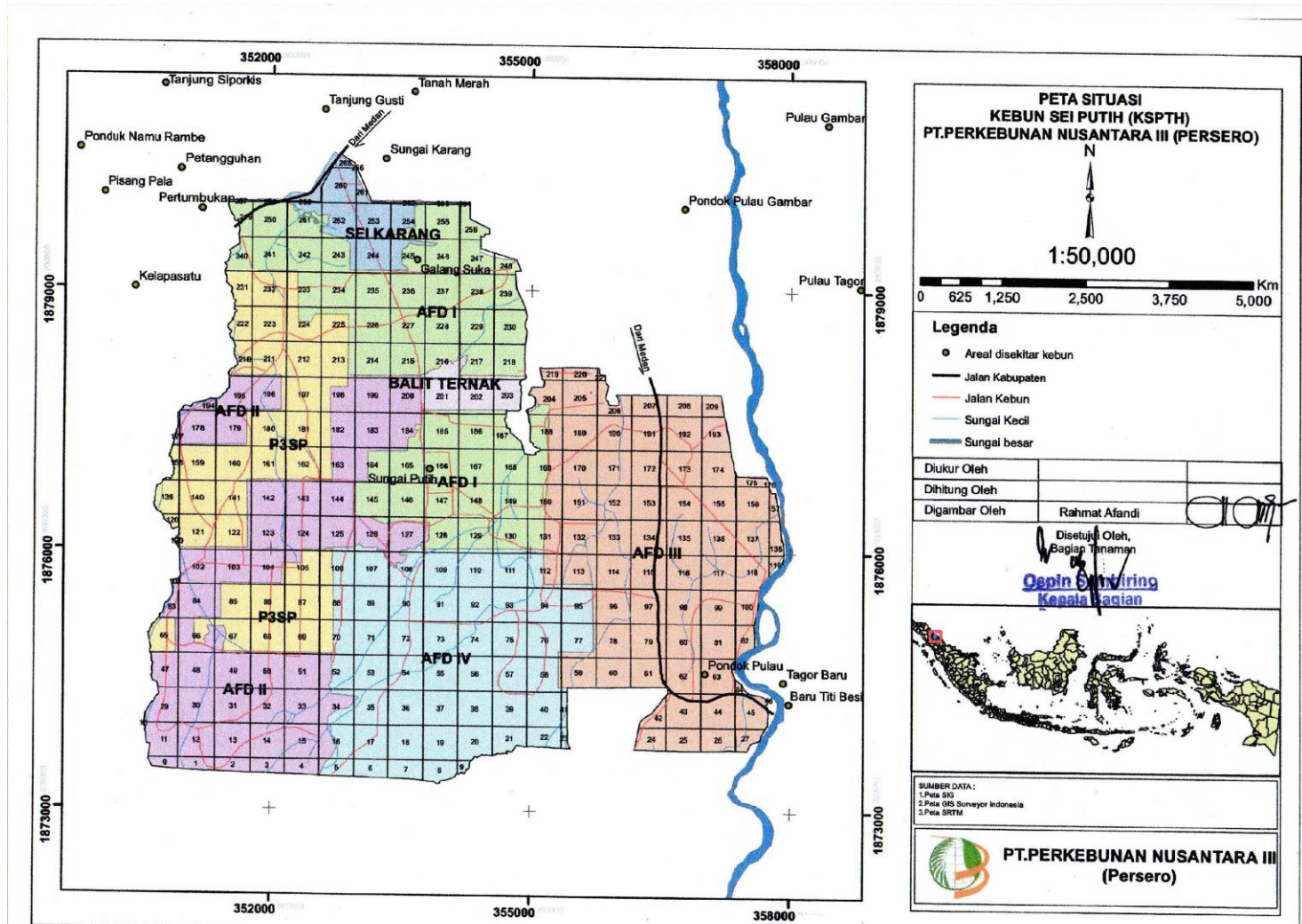


Figure 2.a : Map of Sei Putih Estate

RSPO Surveillance Assessment Report

-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

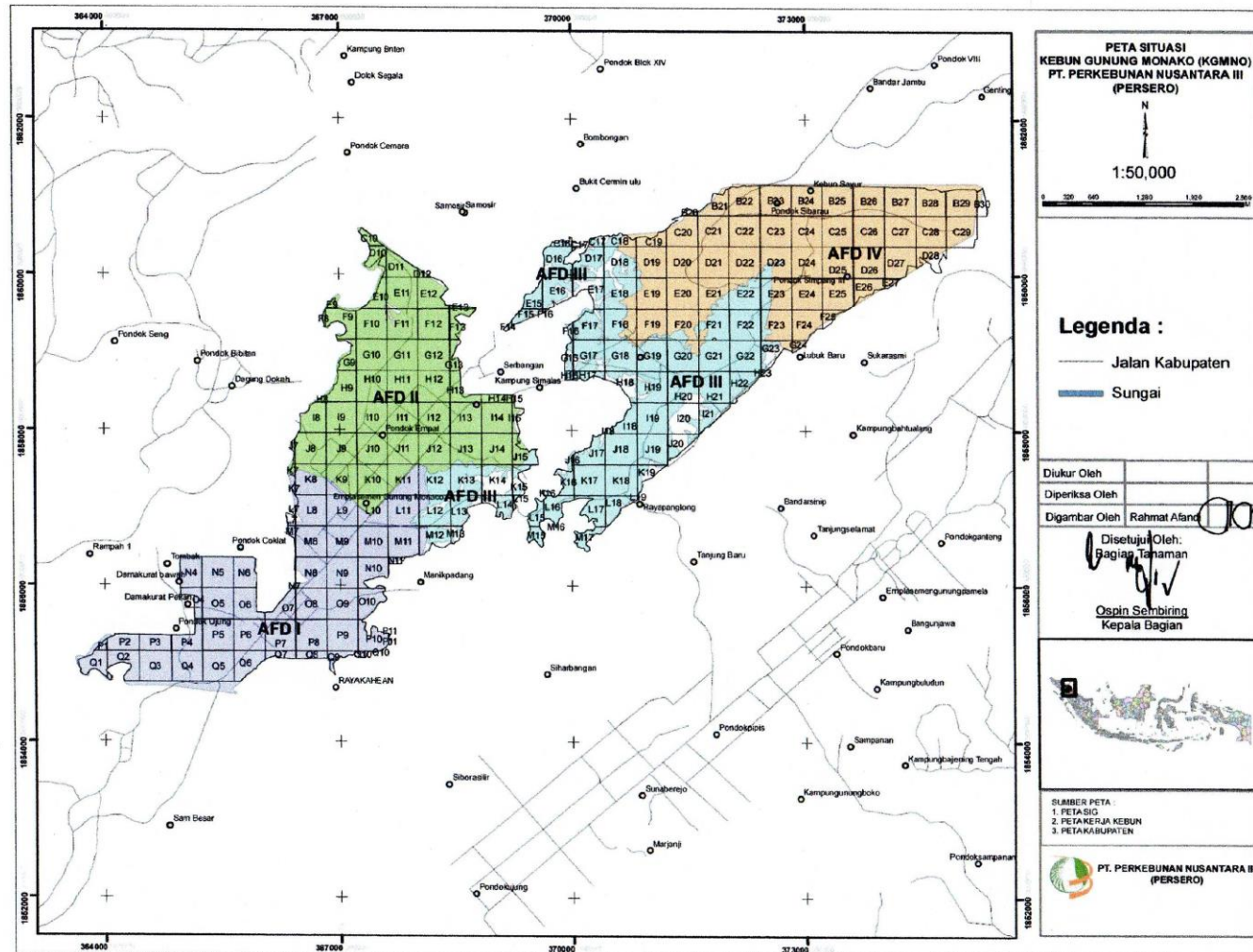


Figure 2.b. : Map of Gunung Monaco Estate

RSPO Surveillance Assessment Report

-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

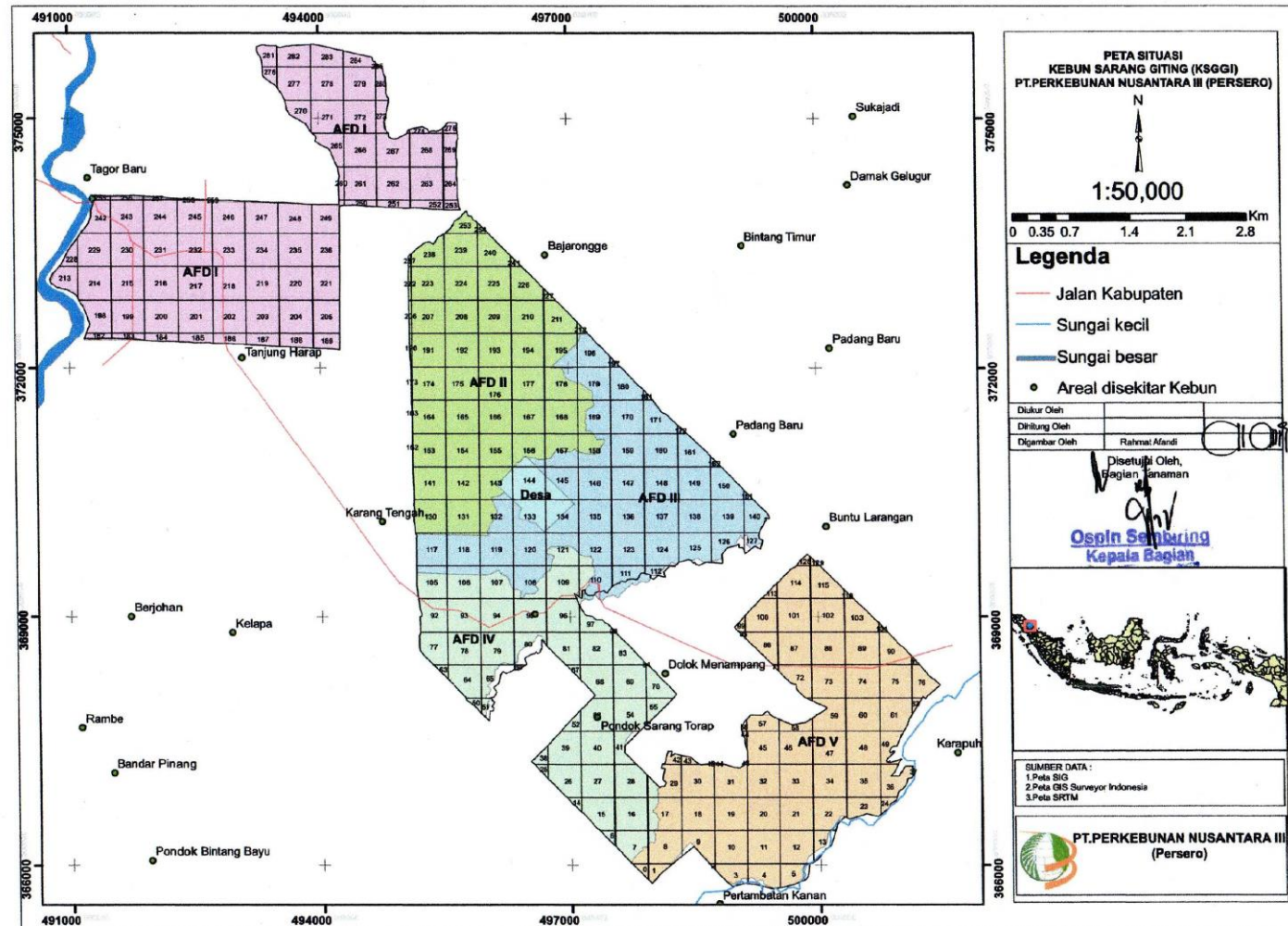


Figure 2.c. : Map of Sarang Giting Estate

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

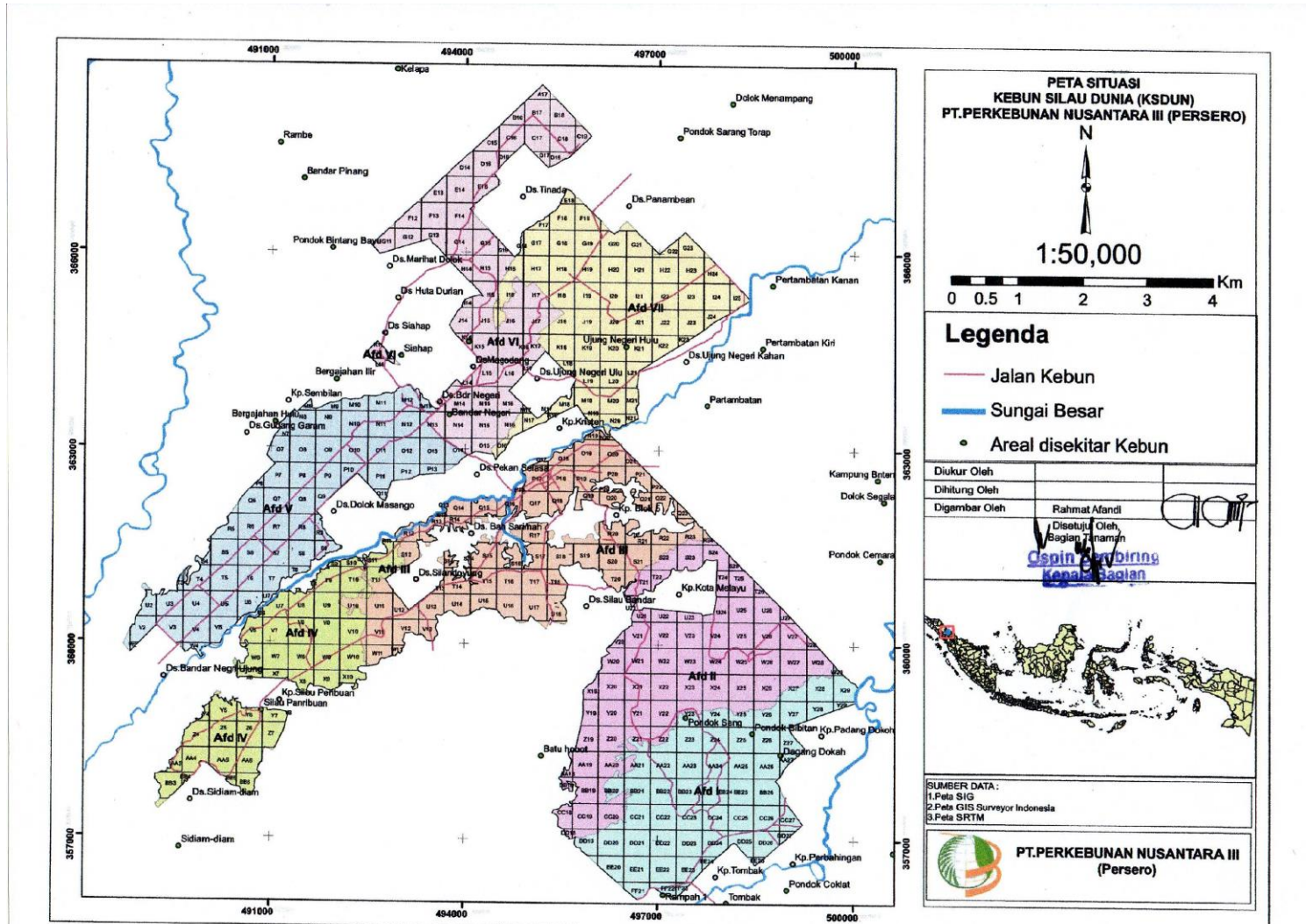


Figure 2.d. Map of Silau Dunia estate

RSPO Surveillance Assessment Report
 -PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

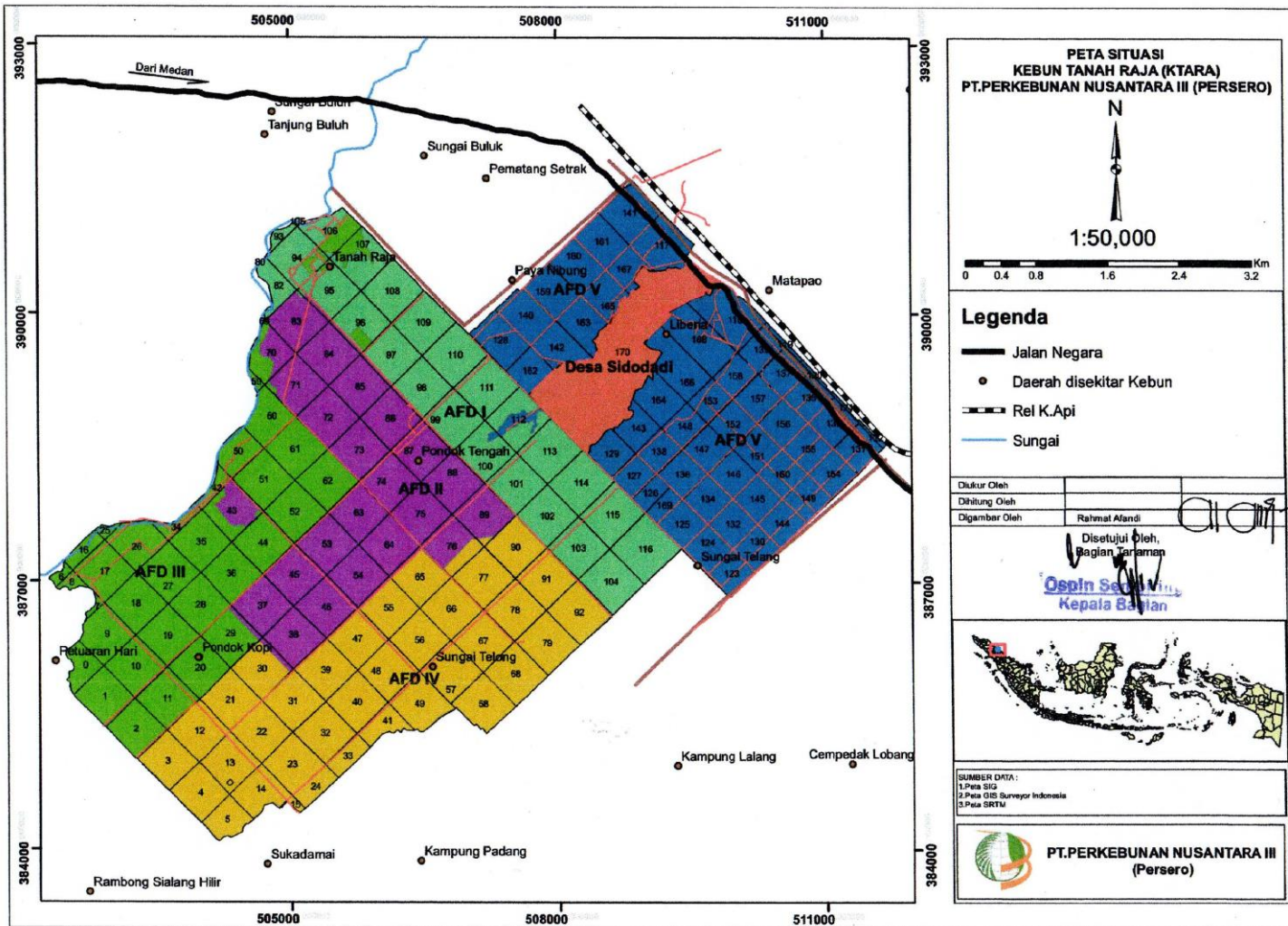


Figure 2.e. Map of Tanah Raja estate

During 1st surveillance audit that The company has showed map of Tanah Raja estate but it is not compliance with map requirement because geo-reference, map location, legend, resource of map and sign of drawer & management not available so that it was raised as non-conformity refer to appendix 4 (A 4.2.3) in RSPO Certification System and map RSPO requirement (NCR no.RSPO01192) .

2.3. Supply Base Composition

Table 2.a : FFB Supply Information for Rambutan POM

FFB Contributors	FFB supplied from January to December 2016 ^{*)}		FFB supplied from January to May 2017 ^{*)}	
	Tonnes	%	Tonnes	%
Company owned estates :				
Tanah Raja Estate	28,435.51	15.58	10,460.63	12.80
Sei Putih Estate	5,795.70	3.17	2,497.00	3.05
Sarang Giting Estate	8,884.69	4.87	3,604.13	4.41
Silau Dunia Estate	31,109.63	17.04	12,214.94	14.94
Gunung Monaco Estate	42,506.39	23.28	18,570.25	22.72
Sub Total	116,731.92	63.95	47,346.95	57.92
Others Estate under PTPN III :				
Rambutan Estate	37,509.15	20.55	17,541.14	21.46
Gunung Para Estate	5,651.48	3.10	2,607.32	3.19
Gunung Pamela Estate	22,656.10	12.41	14,250.03	17.43
Sub Total	65,816.73	36.05	34,398.49	42.08
Other Sources :				
Independent outgrowers	0.00	0.00	0.00	0.00
TOTAL	182,548.65	100.00	81,745.44	100.00

Note:

*) FFB processed by POM

Table 2.b : Certified FFB Supply Information for Rambutan POM

FFB Contributors	FFB supplied from January to December 2016 ^{*)}		FFB supplied from January to May 2017 ^{*)}	
	Tonnes	%	Tonnes	%
Company owned estates :				
Tanah Raja Estate	28,435.51	15.58	10,460.63	12.80
Sei Putih Estate	5,795.70	3.17	2,497.00	3.05
Sarang Giting Estate	8,884.69	4.87	3,604.13	4.41
Silau Dunia Estate	31,109.63	17.04	12,214.94	14.94
Gunung Monaco Estate	42,506.39	23.28	18,570.25	22.72
Total	116,731.92	63.95	47,346.95	57.92

Note : -

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Table 3.a : CPO and PK production period 2016 in Rambutan POM and projected for year 2017 in PT Perkebunan Nusantara III – Rambutan POM

FFB supplied in (previous License Year) (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
182,548.65 ¹⁾	22.90	41,794.76	5.01	9,147.05
Projection FFB supplied in next 12 months (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
203,560.60	24.06	48,982.34	4.82	9,812.66

Note : -

Table 3.b : Certified CPO and PK production period 2016 in Rambutan POM and projected for year 2017 in PT Perkebunan Nusantara III – Rambutan POM

FFB supplied in (previous License Year) (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
116,731.92	22.90	26,725.93 ¹⁾	5.01	5,849.14 ¹⁾
Projection FFB supplied in next 12 months (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
121,909.00	24.09	29,342.32	4.89	5,973.37

Note :

^{*)}. The last/previous license of CSPO is **33,370.43 tonnes** & CSPK is **7,003.67 tonnes**. Whereas, the last/previous license of CSPO sold during surveillance audit is **3,850.00 tonnes** & CSPK sold is **1,355.57 tonnes** by palmtrace and the rest is conventional sales

2.4 Area of Plantation (Total, Planted and Mature)

Table 4 : Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT Perkebunan Nusantara III – Rambutan POM¹⁾

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (ton)	Average yield/ ha (ton/ha)
Tanah Raja ^{**)}	3,360.07	2,073.93	2,025.28	48.65	29,527.58	14.09
Sei Putih ^{**)}	2,694.49	310,25	306,10	4.15	6,351.58	20.75
Sarang Giting	3,051.72	491,65	471.25	9.40	8,884.69	18.85
Silau Dunia	4,963.62	2,002.18	1.630,13	372.05	31,109.63	19.08
Gunung Monako ^{**)}	2,322.77	1.975,62	1.975,62	0.00	44,841.40	22.70
TOTAL	17,086.01	5,031.09	2,891.14	434.25	120,714.88	18.84

Note : * Data for year 2016, ** Not all FFBs production delivery to Rambutan POM

2.5 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 30 years. Information on the dates of plantings are as per the table below.

Table 5.a : Age and year of plantings of company estate supplying to Rambutan POM*

Age & Year of Plantings	Oil palm planted area at each estate(ha)				
	Kebun Tanah Raja	Kebun Sei Putih	Kebun Sarang Giting	Kebun Silau Dunia	Kebun Gunung Monako
24 & 1993	785.50	0.00	0.00	0.00	0.00
23 & 1994	126.70	0.00	0.00	0.00	0.00

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-

Age & Year of Plantings	Oil palm planted area at each estate(ha)				
	Kebun Tanah Raja	Kebun Sei Putih	Kebun Sarang Giting	Kebun Silau Dunia	Kebun Gunung Monako
22 & 1995	0.00	0.00	0.00	0.00	0.00
21 & 1996	0.00	20.00	0.00	77.95	21.15
20 & 1997	0.00	0.00	0.00	0.00	290.32
19 & 1998	0.00	0.00	0.00	111.15	103.74
18 & 1999	0.00	0.00	0.00	17.00	0.00
17 & 2000	0.00	286.10	382.25	689.87	545.71
16 & 2001	0.00	0.00	0.00	190.25	208.53
15 & 2002	259.15	0.00	0.00	167.35	75.90
14 & 2003	458.57	0.00	0.00	289.80	680.82
13 & 2004	89.42	0.00	0.00	0.00	0.00
12 & 2005	66.82	0.00	0.00	0.00	0.00
11 & 2006	82.69	0.00	0.00	0.00	0.00
10 & 2007	0.00	0.00	0.00	0.00	49.45
9 & 2008	0.00	0.00	0.00	48.96	0.00
8 & 2009	0.00	0.00	47.80	37.80	0.00
6 & 2011	156.43	0.00	0.00	0.00	0.00
5 & 2012	0.00	0.00	41.20	0.00	0.00
4 & 2013	48.65	0.00	0.00	0.00	0.00
2 & 2015	0.00	4.15	9.40	0.00	0.00
1 & 2016	0.00	0.00	11.00	372.05	0.00
0 & 2017	0.00	0.00	0.00	0.00	0.00
TOTAL	2,073.93	310.25	491.65	2,002.18	1,975.62

Note : * Data for year 2016 (per December 2016)

Table 5.b : Age and year of plantings of company estate supplying to Rambutan POM*

Age & Year of Plantings	Oil palm planted area at each estate(ha)				
	Kebun Tanah Raja	Kebun Sei Putih	Kebun Sarang Giting	Kebun Silau Dunia	Kebun Gunung Monako
24 & 1993	261.50	0.00	0.00	0.00	0.00
23 & 1994	126.70	0.00	0.00	0.00	0.00
22 & 1995	0.00	0.00	0.00	0.00	0.00
21 & 1996	0.00	20.00	0.00	77.95	21.15
20 & 1997	0.00	0.00	0.00	0.00	290.32
19 & 1998	0.00	0.00	0.00	110.40	103.74
18 & 1999	0.00	0.00	0.00	17.00	0.00
17 & 2000	0.00	286.10	382.25	689.87	545.71
16 & 2001	0.00	0.00	0.00	190.25	208.53
15 & 2002	249.15	0.00	0.00	167.35	75.90
14 & 2003	458.57	0.00	0.00	289.80	680.82
13 & 2004	89.42	0.00	0.00	0.00	0.00
12 & 2005	66.82	0.00	0.00	0.00	0.00
11 & 2006	82.69	0.00	0.00	0.00	0.00
10 & 2007	0.00	0.00	0.00	0.00	49.45
9 & 2008	0.00	0.00	0.00	48.96	0.00
8 & 2009	0.00	0.00	47.80	37.80	0.00
6 & 2011	156.43	0.00	0.00	0.00	0.00
5 & 2012	0.00	0.00	41.20	0.00	0.00
4 & 2013	48.65	0.00	0.00	0.00	0.00
2 & 2015	0.00	4.15	9.40	0.00	0.00
1 & 2016	0.00	0.00	8.50	345.50	0.00
0 & 2017	662.85	215.33	57.26	32.00	0.00
TOTAL	2,202.78	525.58	546.41	2,006.88	1,975.62

Note : * Data for year 2017 (per April 2017). There are different about total of areas in some estates because there are some activities regarding conversion of the type of plant and optimum of areas in year 2017

Table 6: Land use data for PT Perkebunan Nusantara III – Rambutan POM*

Estate Name	Total area (ha)	Rubber Planted Area (ha)	Oil Palm Planted Area (ha)	HCV/ Potential HCV areas** (ha)	Land used for other purposes (ha)			
					Housing, Road, other ifrastructure	Nursery	Cleared Area	Other Land
Tanah Raja	3,360.07	1,102.10	2,073.93	30.39	169.16	0.00	0.00	14.88
Sei Putih***	2,694.49	2,321.53	310.25	22.49	17.20	0.00	0.00	45.51
Sarang Gitting	3,051.72	2,302.10	491.65	10.56	79.92	0.00	0.00	178.05
Silau Dunia	4,963.62	2,081.20	2,002.18	453.73	154.20	0.00	0.00	726.04
Gunung Monako	2,322.77	0.00	1,975.62	189.11	134.27	0.00	0.00	212.88
TOTAL	16,392.67	7,806.93	6,853.63	706.28	554.75	0.00	0.00	1,177.36

Note :

* Data for year 2016 (per December 2016)

** HCV areas inside of oil palm plantation areas

*** There are add rubber and oil palm areas amount of 14 ha (replace from entrys estate (rubber nursery)) and 4.15 ha (immature of oil palm)

Table 7 : Planned and actual oil palm replanting activities for PT Perkebunan Nusantara III – Rambutan POM

Age & Year of Plant-ings	Actual re-planting areas (Ha)	Total planned replanting area (Ha)	Total planned replanting area for each estate (Ha)				
			Kebun Tanah Raja	Kebun Sei Putih	Kebun Sarang Giting	Kebun Silau Dunia	Kebun Gunung Monako
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016	0.00	240.00	240.00	0.00	0.00	0.00	0.00
2017*	524.00	524.00	524.00	0.00	0.00	0.00	0.00
2018*		519.11	519.11	0.00	0.00	0.00	0.00
2019*		337.79	337.79	0.00	0.00	0.00	0.00
2020*		0.00	0.00	0.00	0.00	0.00	0.00
2021*		83.50	83.50	0.00	0.00	0.00	0.00
2022*		167.14	167.14	0.00	0.00	0.00	0.00

Note : There is revision based on memorandum no.3.09/Kbn/MO/83/2017 dated on 21 April 2017 & no. KTARA/3.09/MO/151/2017 dated on 25 April 2017 and circular letter no.3.09/SE/21/2016 dated on 21 December 2016.

2.6 Volume of CPO and PK recommended for Certification

The approximate tonnages certified, based FFB production in year 2017 for company owned estates only (**121,909.00 tonnes**) are as follows :

Crude Palm Oil (CPO) : 29,342.32 tonnes (OER : 24.09%)
 Palm Kernel (PK) : 5,973.37 tonnes (KER : 4.89%)

2.7 Organisational Information / Contact Person

Contacts details of the company are as follows:

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Page 15 of 109

Company Name:	PT Perkebunan Nusantara III (Rambutan Palm Oil Mill)
RSPO Membership no.	1 -0030-06-000-00
Address:	Head Office : Jl. Sei Batang Hari No. 2, Medan, Indonesia Site : Paya Bagas Village, Tebing Tinggi Sub District, Sedang Bedagai District, North Sumatera Province - Indonesia
Contact Person:	Ahmad Diponegoro
Telephone:	061-8452244
Email:	ptb@ptn3.co.id

3.0 ASSESSMENT PROCESS

3.1 Qualifications of Lead Assessor and Assessment Team

Name	Position	Qualifications / Experience
Hendra Fachrurozy (HF)	Lead Auditor	<p>Education: Bachelors Degree in Forestry - Bogor Agriculture Institute. Indonesia, (1995 to 2000).</p> <p>Trainings attended: ISO 9001 : 2008 lead auditor course - Neville Clark (2011), ISO 14001 : 2004 lead auditor course - TUV Rheinland Indonesia (2011), SMK3 auditor course – Department of manpower and transmigration of the Republic of Indonesia (2009), Sustainable Forest Management (SFM) – Forestry Education and Training Centre (2010), Timber Legality of Verification - Forestry Education and Training Centre (2010), RSPO Lead Auditor Course – Pro Forest & Wild Asia (2011), RSPO SCCS Lead Auditor Course – David Ogg and Partners (2012), ISPO Lead Auditor Course – Indonesian Sustainable Palm Oil Commission (2012), RSPO RED Lead Auditor Course – RSPO & Brinkman Consultant (2013).</p> <p>Working experience: Experienced as Junior Consultant at PT Surveyor Indonesia (2002 s/d 2010), assesor for SFM –mandatory (PHPL & PHTL), assessor for industry performance assessment (IPHHK)-mandatory, auditor for Timber Legality of Verification, auditor for SMK3, auditor for QMS and EMS and auditor for RSPO & ISPO at TUV Rheinland Indonesia.</p>
Ade Sudiana (AS)	Lead Auditor (under monitoring)	<p>Education: Bachelor of Forestry, Faculty of Forestry, Bogor Agricultural University</p> <p>Trainings attended : Lead Auditor course - Neville Clark; ISO 9001:2015 (2016), Awareness training of ISO 9001, 14001 and 18001, inhouse training of ISO 19011 and ISPO, Training of Assesor for Sustainability Natural Forest Management (SFM) by The Indonesian Ecolabelling Institute (2008), Training of Auditor for Sustainability Forest Management By Center for Educational and Training of Forestry, Department of Forestry (2010), Examination of competency for auditor of Sustainability Forest Management by Personal Certification Body-Rhino (2014), Training of Auditor For ISPO (2016) by ISPO Commission, Training of Lead Auditor for RSPO (2016) by Pro Forest and Daemeter.</p> <p>Working experience: Consultant and Trainer of : Quality Management System (ISO 9001), Environment Management System (ISO 14001), Safety Management System (SMK3/ OHSAS 18001), ISPO (Indonesian Sustainable Palm Oil), Consultant and trainer in PT FOCUS (2008-2016) ; Auditor of SFM in PT Forestcitra Sejahtera (2008-2016); Auditor of SFM, RSPO and ISPO in PT TUV Rheinland Indonesia (2016-now)</p>
Rahayu Zulkifli (RY)	Auditor	<p>Education: LLB(Hons), John Moores University, Liverpool, UK (1988), Certificate in Legal Practice (CLP) examination (1992)</p> <p>Trainings attended: RSPO-endorsed Lead Auditors course (November 2014); RSPO P&C and Supply Chain Standard and System (SIRIM) (February 2016); Social Aspects of the RSPO P&C (SIRIM) (February 2016); ISO14001 Lead Assessor course (Exemplar</p>

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Name	Position	Qualifications / Experience
		<p>Globalcertified) (March 2016); Techniques of Auditing (SIRIM) (January 2016); Trained and certified as a mediator by the Malaysian Mediation Centre (2014); Certified as a Translator by the Institut Terjemahan dan Buku Malaysia (2014)</p> <p>Working experience: Manager of Dispute Settlement Facility - RSPO, and Managed the RSPO Human Rights Working Group (HRWG) focusing in particular on Social Audits, Land Conflicts, Labour Rights and Human Rights (January 2014 –May 2015); Team Leader – Terengganu Turtle Conservation, WWF Malaysia (September 2003 – October 2013); Manager, Legal and Corporate Secretarial and Company Secretary – Crest Petroleum Berhad (March 2000 – August 2003); Deputy Manager, Legal and Corporate Secretarial and Assistant Company Secretary – Sistem Televisyen Malaysia Berhad (TV3) (June 1995 – March 2000); Legal Assistant – Shamsuddin & Co. Advocates & Solicitors (October 1994 – May 1995).</p>
Yusof K. Nizar (YN)	Auditor	<p>Education: Diploma in Public Administration- MARA Institute of Technology, Malaysia (1991). Certificate of Safety and Health Officer-Malaysian Insurance Institute (2003). Bachelor of Corporate Administration (Hons)-MARA University of Technology, Malaysia (2003), Master of Science in Occupational Safety and Health Management-Northern University of Malaysia (2011), Candidate for Phd in Occupational Safety and Health Management-Northern University of Malaysia.</p> <p>Trainings attended: ISO 9001:2000 IRCA/IATCA Lead Auditor Training-International Management & Technology Limited (Kuala Lumpur), ISO 14001:2004 IEMA Approved EMS Advanced Lead Auditor Training Course-Aspects Moody Certification Ltd (United Kingdom). OH&SMS IRCA Certified Lead Auditor Training Course-Moody International (Kuala Lumpur). MS 1722 Lead Auditor Training-Niosh Certification (Kuala Lumpur)</p> <p>Working experience: Experience in managing, consulting, training and auditing quality, environmental, occupational safety and health management systems such as ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, MS1722:Part 1:2005 from 1996-Current. Contract Trainer of OSH & Environmental Legal & Other Requirements Lead Auditors course for SIRIM Training Services Sdn Bhd & NIOSH Certification Sdn Bhd. Contract Auditor for Environmental Management System for Sirim QAS International (2006). Department of Occupational Safety and Health Malaysia (DOSH) Registered Safety and Health Officer (2003-2006). Approved Human Resources Development Fund (HRDF) Trainer (2011). Assessor for Prime Minister’s Hibiscus Award and involving assessment for oil and gas companies, plantations industries, manufacturings, utilities, cleaning and transportations services (2003-2011). OSH and Environmental Auditor for TUV Rheinland Malaysia RSPO Principles & Criteria.</p>

3.2. Surveillance Assessment Agenda

Date	Location/ Main sites	Main activities
05 June 2017	Tanah Raja estate Head Office	<ul style="list-style-type: none"> • Travelling from airport to estate • Travelling to Belawan • Opening meeting in Tanah Raja estate & storage tank-Belawan

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Date	Location/ Main sites	Main activities
	Storage Tank-Belawan	<ul style="list-style-type: none"> • Verification of NCR in previous audit in estate • Verification of partial certification & time bound plan in head office • Verification of document for all requirement
06 June 2017	Tanah Raja estate	<ul style="list-style-type: none"> • Verification of document (RSPO P&C) i.e training records, training Plan, OSH Policy, Meeting of Safety and Health Committee and Hirac, list of stakeholders, Stakeholder Logbook, Accident record, schedule waste documents, CSDS and PPE issuance. Medical surveillance report, list of employee, wage slip, list of stakeholder, etc • Verification of NCR in previous audit in estate • Verification of field or field visit : <ul style="list-style-type: none"> ○ HF & RY : Harvesting activity in block 362, 313 (division V), weeding manual activity in division V (block 385), emplasment in division V (block 346 & 357), Sungai Buluh sub village, washing room for sprayer employee, temporary room for hazardous & toxic waste, first aid box in office and field, conversion plant type in division 1 (block 06), boundary stone no.79 in block 301, ○ YN : harvesting activity at division of IV (block 385 & 314), weeding manual activity, housing/emplasment (block 346), clinic (block 313) and chemical store (block 301). ○ AS : harvesting activity, river, pest & disease management, emplasment, warehouse and boundary stone in division 3
07 June 2017	Gunung Monaco & Silau Dunia estate	<ul style="list-style-type: none"> • Verification of document (RSPO P&C) i.e Hazardous waste inventories & manifest, fertilizer application records, chemical application records, chemical stock inventory, Waste management Plan, MSDS/CSDS for Metsulfuron and Glyphosate, monitoring of boundary stone report, maintenance activity record & report, accident report in clinic and pest and disease monitoring report, etc • Verification of field or field visit <ul style="list-style-type: none"> ○ HF : Boundary stone no.156 (division 3), boundary pillar no.186 in division of III, emplasment/housing in division of III, spraying activities in division of III, clinic in estate. All objects in division of 3-Gunung Monaco. ○ AS : harvesting activity, river, pest & disease management, emplasment, warehouse, maintenance activity and boundary stone, ○ RY : emplasment/housing, harvesting activity, maintenance activity. ○ YN : Chemical store, First aid boxes. Hazardous waste store, harvesting activity, emplasment/housing for employee. All objects in division of II – Gunung Monaco estate
08 June 2017	Gunung Monaco & Silau Dunia estate	<ul style="list-style-type: none"> • Verification of document (RSPO P&C) i.e Medical surveillance record, Accident record and Insurance, maintenance planning (FM-3.01-01/01), list of employee, wage slip, list of stakeholder, etc • Verification of field or field visit <ul style="list-style-type: none"> ○ HF : Riparian areas in block F.09 (division of II). All objects in Gunung Monaco estate. ○ AS : harvesting activity, river, pest & disease management, emplasment, warehouse, maintenance activity and boundary stone, ○ RY : emplasment/housing, harvesting activity, maintenance activity. ○ YN : Harvesting activity (block 98A11), Observed PPE used by workers such as ear plugs, helmet and safety shoes, waste bins and Loading area. All objects in division of II-Gunung Monaa estate.
09 June 2017	Sei Putih & Sarang Ginting	<ul style="list-style-type: none"> • Verification of document (RSPO P&C) i.e Hazardous waste and was inventories, Training records and plan, chemical stock inventory, Waste management Plan, Permits and License, Safety and health Committee Organization Chart, Accident records and Insurance. Effluent monitoring records, list of employee, wage slip, list of stakeholder, etc • Verification of field or field visit <ul style="list-style-type: none"> ○ HF : harvesting activity in block L15 or 234, maintenance manual block N17 or 276, occupation areas in block P17 (notation of 12 & B1), year of planting 2015 areas, riparian areas in block O19 (notation of 14), boundary

Date	Location/ Main sites	Main activities
		stone no.12. o AS : riparian areas in Ular river (near with boundary stone no.2), harvesting activity in block J16 or 195, low land areas (HCV areas), benefit plan (IPM) o RY : emplasment/housing, harvesting activity, maintenance activity o YN : Chemical store, clinic, First aid boxes. Hazardous waste store, Observed PPE used by workers such as ear plugs, helmet and safety shoes, waste bins and Loading area. All objects in division of IV-Sarang Ginting estate
10 June 2017	Rambutan POM	<ul style="list-style-type: none"> • Verification of document (RSPO P&C & SCCS) i.e Training records, Training Plan, OSH Policy, Meeting of Safety and Health Committee and Hirarc, list of stakeholders, Stake holder Logbook, Accident record, schedule waste documents, CSDS and PPE issuance. Medical surveillance report, insurance coverage for workers. List of permits and license. Audiometric test result and monitoring records, SCCS documents, FFB receipt report, mass balance report, list of employee, wage slip, etc • Verification of field or field visit <ul style="list-style-type: none"> o HF : weighbridge room, loading ramp and dispart areas, o AS : use of water, handling of waste (liquid & solid, etc), station process o RY : station process & workshop o YN : Loading area, sterilizer, boiler room, workshop, scheduled waste store, Chemical Store. All objects in Rambutan POM

Agenda for Verification of Closure of Major Non-conformities (if necessary)

Date	Location / Main sites	Auditor	Main activities
-	-	-	-

1st surveillance assessment do not verification of closure of major non-conformities so that agenda/schedule of audit above not available.

3.3 Assessment Methodology

The certification assessment was conducted between 05 to 10 June 2017 as per the assessment program above. The assessment was carried out in accordance with PT TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the time frame without compromising the integrity of the assessment in anyway.

Scope of audit is 5 estates and 1 mill where we were visited all objects/estates but not all divisions because we using sampling methodology and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body no more than 60 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The 1st surveillance assessment agenda is as explained above.

4.0 STAKEHOLDER CONSULTATION AND STAKEHOLDERS CONTACTED

PT TUV Rheinland Indonesia has carried out interview with stakeholders dated on 6-9 June 2017 during 1st surveillance audit. The list of stakeholders that attended the stakeholder consultation meeting and stakeholders interviewed during the assessment is included as **Appendix 4**.

5.0 COMPLIANCE TO OTHER RSPO REQUIREMENT

5.1. Time Bound Plan for Other Management Units

During 1st surveillance audit that the company has showed time bound but it is not update and not challenging & realistic so that the audit team is not satisfied that the company conforms with the RSPO requirements for partial certification as laid out in Clause 4.5 of the RSPO Certification Systems document. It was raised as non-conformity (NCR No. RSPO01191).

5.2. Compliance to Rules for Partial Certification

Compliance of the uncertified management units of PT Perkebunan Nusantara III (Persero) against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by verification of company's internal audit but the result of internal audit year 2016 not covering verification of RSPO partial certification requirement so that the company can not showing/providing document/report relevant it. It was raised non-conformity (NCR No RSPO01191).

5.2. Compliance to other RSPO Procedure

Tabel 9 : New development areas under PT Perkebunan Nusantara III

Name of Holding	Location	Total area	NPP Status according to RSPO NPP procedure
PT Perkebunan Nusantara III – Muara Opu & Ampolu site	Tapanuli Selatan- North Sumatera	1,324.31 ha	NPP assessment was carried out by PT Sucofindo in year 2012. Existing condition that remediation and compensation still in-process.

5.3. Compliance to RSPO Guidance on GHG calculation

During the audity, the audit tema verify and confirm that :

The RSPO PalmGHG Calculator used	RSPO GHG Calculator version 3.01
Accurate data has been put into the RSPO PalmGHG Calculator	Scope of PalmGHG calculation i.e.: Rambutan Palm Oil Mill, Sei Putih Estate, Tanah Raja Estate, Sarang Ginting Estate, Silau Dunia Estate, Gunung Monaco Estate and other estate under PT Perkebunan Nusantara III for periods January to December 2016. All datas has accurated accordance real condition. All of GHG emission sources was identified and put into RSPO PalmGHG Calculator version 3.01.
Net GHG Emission Figure (tCO ₂ e/tCPO)	1.58 tCO ₂ e/tCPO

5.4 Plan for certification of associated smallholders

As seen from data in **Table 2**, the mill receives 0% supply of FFB from smallholders, of which 0 of these are smallholders associated with the mill.

The mill has not developed a plan for certification of associated smallholders.

6.0 ASSESSMENT FINDINGS

6.1 Summary of Findings

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria INA-NI year 2016 and RSPO SCCS 2014 below.

1. RSPO P & C

Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

Findings:

The company has updated list of stakeholders for both estates and mill. The lists are updated periodically and are available at each estate and mill. The list will be updated at least once a year. There is evidence that the list of stakeholder was updated on year 2017 example at Tanah Raja estate such as Head of Si Buloh village, Head of Pematang Setrak village, Head of Mata Pao village, Head of Cempedak Lobang village, Head of police in Sei Rampah sub district, Head of police in Teluk Mengkudu sub district, journalist from Waspada & SIB daily newspapers, head of government elementary school no.105417 Tanah Raja and etc; at Sarang Ginting estate such as Head of Serdang Bedagai District, Head of Police in Serdang Bedagai District, Head of Military in Serdang Bedagai District, Head of Sub District, Head of Police in Sub District, Head of Military in Sub District, Head of Dolok Masihul village, Head of Sarang Torop village, Head of Molok Manampang village, Head of Sarang Ginting village, Head of Bajaronggi village, Head of Durian Puloan village, Head of Karang Tengah village, Head of Tanjung Harapan village, Head of Tambak Cekur village, Head of Manggis village, Head of Serbajadi village and worker union; at Rambutan POM such as government institution (Head of Tebing Tinggi sub district and Rambutan sub district, Head of Tanjung Marulak Hilir village, Head of Lalang village), head of traditional community (H. Ali Soman Nasution (Kunyit road) & A.Ritonga (Tempel sub village)), journalist, contractor (CV Citra Artha Aditama, CV Abdi Jaya, CV Sejahtera), worker union and cooperation of employee (Kopkar Nusa Tiga); at Gunung Monaco estate containing name of villages, estates, divisions, mosque, churches and contractor.

The company has some policy and procedures regarding to communication and information, such as :

- Policy of Communication was signed by Group Plantation Head, Group CSR Head and Representatives of Worker (Head of Worker Union/SPSI Sei Daun Estate). The policy was updated on September 2010.
- Procedure No. PRO-BM.GEN-001, Rev.02, Dated November 20, 2009, Namely Procedure of Communication, Consultation, and Coordination to External
- Procedure No. PRO-GEN-011, Rev. 02, dated September 23, 2013, namely Procedure of Internal Communication and Consultation
- Procedure No. PRO-BM.GEN-002, Rev. 03, dated March 01, 2012, namely “Penanganan Hubungan dan Upaya Pemberdayaan Masyarakat”. As mentioned in the procedure, number 7.6, stated: “all processes input handling shall be 1 (one) month at maximum time”.
- Procedure No. PK-3.08-02 rev.03 dated on October 03, 2016 regarding communication with stakeholder.

A logbook for stakeholder communication year 2016 & 2017 in Gunung Monaco estate & Sarang Ginting estate was available. The content of logbook is receive date from stakeholder, summary of information, manager of response, date of action to response and explanation.

Based on log book that majority of document/letter was received by estate and mill is request of donation as sample is 1). Proposal of CSR seminar in Serdang Bedagai district dated on 22 March 2017 and Tanah Raja estate has carried out donation amount of IDR 150,000; 2). The inauguration of the branch committee of Pemuda Pancasila dated on 14 February 2017 and Tanah Raja estate has carried out donation amount of IDR 200,000.

The head of district or estate will follow up for all requests for information, suggestion, aspira-

Compliance status :
 Yes
 No

NCR No :
 -

tion and response from stakeholders followed up in accordance with their respective authorities.
 The list of document below (criterion 1.2) was available example in Tanah Raja estate, Gunung Monaco estate and Rambutan POM.

Criterion 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.

Findings:

The company has established the circular letter from PTPN III Director (Director of Marketing and Planning Developing) issued on April 01, 2016 regarding publication of company data (publish and not publish). There are two categories of documentation i.e. document that can be published and cannot be published.

The publish documents i.e. :

- Company profile
- Annual report
- Financial report
- Certificate of land ownership such as land use right (HGU), land build right (HGB) and area management right (HPL)
- Manual book of GCG
- GCG evaluation result by third parties
- Award information
- Letter of company register (TDP)
- EIA document
- SIA document
- CSR data
- Goal, policy and objectives of quality
- Policy, objectives and goal of environment
- OHS policy
- OHS program documentation
- PKPT achievement
- Legal documentation (land application, storage of hazardous and toxic, operation of processing equipment Incinerator Waste hazardous and toxic Hospital)
- Monitoring and measurement report
- Production achievement report
- Unit/estate name
- Documentation of continuous improvement program (result of management review meeting) (criterion 8.1)
- HCV documentation (criterion 5.2 and 7.3)
- Details process of complaint procedure (criterion 6.3)
- Final RSPO public summary report of certification result
- Human rights policy (criterion 6.13)
- Pollution prevention and reduction plan (criterion 5.6)
- Negotiation procedure (criterion 6.4)

Compliance status :
 Yes
 No

NCR No :
 -

Criterion 1.3. Grower and millers commit to ethical conduct in all business operations transactions

Findings:

Memorandum letter from PTPN III Marketing and Development Plan Director No. 3.12/3.00/MO/209/2015 dated 25 March 2015 was issued related Good Corporate Governance Practices handbook distribution to all level of company operation. In the book describes the code of conduct in conducting business with the partners as listed in point (f) i.e. not doing illegal business and avoid the practice of corruption, collusion and nepotism. Furthermore,

Compliance status :
 Yes
 No

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



there is code of conduct on behalf PT Perkebunan Nusantara III was approved by Director of General (3rd Edition, 2012). The contents covered fair conduct of business prohibition of all forms of corruption, bribery and fraudulent use of funds and resources prohibition of all form, disclosure of information in accordance with applicable regulations and accepted industry practices. If based on by topic consist of value system, business ethic, work ethic commitment, upholding code of conduct. It was found in Tanah Raja estate, Gunung Monaco estate, Sarang Ginting estate and Rambutan POM.

NCR No :
RSPO01
193 (Major)

There was a letter requiring all level of staff in PTPN III to commit on Code of Conduct (Pedoman Perilaku Perusahaan) dated on 27 January 2017. Some estates was carried out briefing or explanation of the code of conduct and their sign of commitment i.e :

- Tanah Raja estate : the signing code of conduct commitment ceremony was conducted on 14 February 2017;
- Gunung Monaco estate : estate was conducted briefing about code of conduct to all management staffs and supporting staffs dated on 05 October 2016 at division of II hall and dated on 12 October 2016 at division of III as stated on memorandum or notulen dated on 14 October 2016. Futhermore, estate has carried out brief/socialization about code of ethical conduct to all level workers dated on 04 – 06 May, 2015 in Afdeling II hall meeting. This brief attendant by all level workers such as foreman, harvesters, sprayers, estate manager, asst manager, contractor/third party, and was attendant by 138 workers, evidenced by attendant list and photograph.;
- Sarang Ginting estate : the explanation of the code of conduct was done dated on 17 May 2017 where it was involved staff of management, mill and technical and dated on 17 November 2016 to all staff in division of I to V. Photograph and list of participant were available as sampled. Futhermore, estate has carried out the brief of ethical conduct to all level workers and contractor dated on May 11, 2015, evidenced by attendant list and photograph.
- Sei Putih estate : estate was conducted dissemination of code of conduct dated on 10 June 2017 at division of III. Photograph, attendant list and materi of dissemination was available.

Whereas, dissemination of code of conduct (one of issues are corruption and bribery) to employee in division of III – Sei Putih estate. It was raised as non-conformity (**NCR no. RSPO01193**).

Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

Findings:

The company (estate & mill) have list of law and legal compliance or regulation which update on January 2017 (showed in FM-3.18-01/01) as in Tanah Raja estate was found a legal register for PT Perkebunan Nusantara III for 2nd semester in year 2016 that there were 94 number of legal and other requirement were in the register, there were 97 number of legal and other requirement were in the register at Gunung Monaco estate, there were 109 number of legal and other requirement were in the register at Sarang Ginting estate and there were 44 number of legal and other requirement were in the register at Rambutan POM.

Compliance status :
 Yes
 No

The company (Estate and Mill) has list of legal and other requirements presented in list of regulation and law covering plantation, OSH, labour, and enviromental sections. The law and regulation is including relevant laws, government regulations, Instruction of President, Minister Regulations, Local Regulations, and Governor Regulations etc. All copies of law and regulations is available and maintained. There is a digital document storage system (intranet) where the legal regulations in force already in the document that can be accessed by employees. There is a special officer in charge of this documentation are Field Clerk (Krani) and Document Control Clerk.

NCR No :
RSPO01
194 (major),
RSPO01
195 (minor),
RSPO01
196 (minor)

The company has a procedure for identification and evaluation relevant law and regulation namely Procedure for identification and evaluation law and regulation (PK-3.18-01 revision 01, on date February 25, 2014) where procedure has describe that evaluation of law and regulation carry out every year but the procedure is not mentioned the evaluation mechanism

used and it is not mention the mechanism of tracking regulatory changes, who's responsible, the source of the information and how many times it was done. It was raised as non-conformity **(NCR no. RSPO01195 & RSPO01196)**.

There are evidences that law and regulation compliance example :

- a. Paramedic or medical practice permit (no. 317/440/XII/SB/2014) from Health Agency in Serdang Bedagai district on behalf Rotua Murni M. Tambun (paramedic/doctor in Sarang Ginting estate) where permit valid till 03 December 2019 and permit no. 398/440/I/SB/2015 from Health Agency in Serdang Bedagai district on behalf dr Mahayeni Tarigan (paramedic/doctor in Tanah Raja estate) where permit valid till 05 January 2020.
- b. Decree environmental head agency number 660/421/LH/2010 about land application in Rambutan estate in division I, field number 300, 309, 310, 319, 320, 330, 340, 350 with total area about 232.35 Ha, valid for 5 years from the date issued on November 19, 2015, issued in Sei Rampah
- c. Land application permit number No. 18.32/660/321/2015 dated on October 6, 2015, still valid during the audit, Issued by Head of environment agency of Serdang Bedagai District.
- d. Mill carry out monitoring waste water quality from Pond number 4 until on April 2017, Which shows the results show that the BOD levels of the samples are below the legal requirement that applies to land application (5,000 ppm) as per Environment Ministry State Minister Regulation No. 28/2003 on Technical Guidelines for Assessment of Waste water Use from palm Oil Industry to Soil.
- e. There is evidence that workers directly employed by Tanah Raja Estate, Sarang Giting, Silau Dunia and Rambutan Palm Oil Mill are paid above the north Sumatera Provincial Minimum Wage of IDR 1,961,354 per month
- f. etc

Some conditions in estate that are not in accordance with the fulfillment of laws and regulations, such as :

- Tanah Raja estate, Gunung Monaco estate and Rambutan POM not conducting regular health examination year 2016 & 2017 for employee so that it is not complianc with requirement of Permenakar No. PER/02/MEN/1980 (Health Inspection and In Maintenance of Occupational Safety) section 3 (2) mentioned that all industry as in Section 2 (s) shall conduct a health inspection at least once a year.
- Content or item in first aid box in division of III office – Gunung Monaco estate and division of III office – Sei Putih estate and first aid bag/mobile which bring by harvesting supervisor and maintenance supervisor in division of III – Gunung Monaco estate and harvesting supervisor in division of V – Tanah Raja estate and division of III – Sei Putih estate not complete by type and quantity according regulation no. Per.15/Men/VIII/2008.
- Information of type of plantation and or total of areas on plantation bussiness permit (SPUP) on behalf Tanah Raja estate and Sei Putih estate not accordance with real or existing condition in field so that it is not complianc with regulation no. Permentan no.98 year 2013 section 33.

This condition raised as non-conformity **(NCR no.RSPO01194)**.

Based on the result of field visit that auditor was found assisten of harvesting amount of 1 of 3 employees (take/collect of FFB losse & bring FFB from harvesting location to collection FFB areas) in division of III – Gunung Monaco estate and 1 employee in division of III – Sei Putih estate are children or under age as employee and auditor was found too 1 employee in division of II – Gunung Monaco estate have not agreement with company as employee or he is not as company's employee so that it is not compliance with company policy and regulation. It was raised as non-conformity **(NCR no. RSPO01194)**.

Criterion 2.2: The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.

Findings:

The company demonstrate its legal ownership or lease, history of land tenure and the actual legal use of the land is available. Some legal land rights on behalf PT Perkebunan Nusantara III – Rambutan POM and their supply based are :

1. **Tanah Raja estate** : Decree of Land National Agency number 91/HGU/BPN/2009 about land use rights for PT PN 3 located in Serdang Bedagai district, North Sumatera province, total ar-

Compliance status :

- Yes
 No

<p>ea 3,360.07 Ha, in Tanah Raja village, Sei Rampah district. This legal land use rights valid for 25 years from the issued dated on July 6, 2009, issued in Jakarta. Then, this decree consist of several legal land use rights certificate, ie :</p> <ul style="list-style-type: none"> • Legal land use rights certificate No.10, with total area about 3,319.63 Ha, valid until 20/12/2034. This certificate issued in Sei Rampah, on 21/12/2009. • Legal land use rights certificate No.11, with total area about 12.95 Ha, valid until 20/12/2034. This certificate issued in Sei Rampah, on December 21, 2009. • Legal land use rights certificate No.12, with total area about 27.49 Ha, valid until 20/12/2034. This certificate issued in Sei Rampah, on December 21, 2009. <p>Legal land use rights decree and certificate mentioned the land was gave to the PT PN 3 only for plantation development.</p> <p>Estate has established procedure for monitoring and maintaining boundary pillars document number PK-3.11-10 Rev 00. This procedure describe that monitoring and maintaining will carry out in every six month and reported to the estate manager.</p> <p>Tanah Raja Estate has record map of boundary pillars and record of boundary pillar maintenance, i.e.: boundary pillars monitoring report carried out on December 2016. Based on monitoring report at Division 3, identified 61 unit, with 61 unit in good condition. During field verification, there is found that boundary pillar No. 50 in good condition at Block 143 and boundary pillar no.79 in good condition at Block 301.</p> <p>2. Silau Dunia estate :</p> <p>1). Decree letter Head of National Land Agency number 90/HGU/BPN RI/2009 about land use rights on behalf PTPN 3 total area about 1,658.07 Ha located at Silau Bandar I-II village, Serdang Bedagai district, valid for 25 years, issued in Jakarta on July 6, 2009. On this decree letter mentioned the land use rights should use for plantation development for palm oil and rubber based on government official approval. Then, this decree consist legal land use rights certificate i.e.:</p> <ul style="list-style-type: none"> • Legal land use certificate No. 2, total area about 1.24 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. • Legal land use certificate No. 3, total area about 109.93 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. • Legal land use certificate No. 4, total area about 12.39 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. • Legal land use certificate No. 5, total area about 1,516.60 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. • Legal land use certificate No. 6, total area about 7.70 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. • Legal land use certificate No. 7, total area about 2.45 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. • Legal land use certificate No. 8, total area about 5.63 Ha, valid until 14/10/2034, issued on 15/10/2009 in Sei Rampah. <p>2). Decree letter Head of Head of National Land Agency number 2/HGU/BPN/2005 about renewal land use rights in Sedang Bedagai district with total area about 2,087.42 Ha, valid for 25 years from the date issued on January 13, 2005. On this decree letter mentioned the land use rights should use for plantation development for palm oil and rubber based on government official approval. Then, this decree consist legal land use rights certificate, i.e. Legal land use rights certificate No. 161, total area about 2,087.42 Ha, valid until 31/12/2029, issued on 01/09/2005 in Lubuk Pakam.</p> <p>3). Decree letter Head of National Land Agency number 92/HGU/BPN RI/2009 about renewal land use rights on behalf PT PN 3, with total area 1,218.13 Ha, located in Silau Dunia, Silau Paribuan and Bah Sarimah village, valid for 25 years from the date issued on July 6, 2009. On this decree letter mentioned the land use rights should use for plantation development based on government official approval. Then, this decree consist legal land use rights certificate, i.e. Legal land use rights certificate No. 8, total area about 1,218.13 Ha, valid until 22/10/2034, issued on October 23, 2009 in Pematang Siantar.</p> <p>Estate has established procedure for monitoring and maintaining boundary pillars document number PK-3.11-10 Rev 00. This procedure describe that monitoring and maintaining will carry out in every six month and reported to the estate manager.</p> <p>Silau Dunia Estate has record map of boundary pillars and record of boundary pillar maintenance, i.e.: boundary pillars monitoring report carried out on December 2016.</p>	<p>NCR No : RSPO01 197 (minor)</p>
---	--

Based on monitoring record was identified 368 unit, with 315 unit in good condition, 14 unit broken and 39 unit missed. However, No effort for maintenance and change the pillar. This condition, auditor raise as non conformity (**NCR no. RSPO01197**).

3. Sei Putih Estate :

1). Decree letter Head of National Land Agency number 36-HGU-BPN-RI 2009 about land use rights on behalf PT PN 3, located at Deli Serdang district, total area about **474.54 Ha**, located at Serbajadi village, Galang subdistrict. This legal land use rights valid for 25 years, started from the dated issued on February 13, 2009 in Jakarta. This decree letter mentioned the legal land use rights should use for plantation development accordance to the governmental official approval. Then, this decree consist of legal land use rights certificate, i.e. Legal land use certificate No. 170, with total area 474.54 Ha, valid until 19/05/2034, issued in Lubuk Pakam dated on 20/05/2009 by Head of Land Agency Official,

2). Decree letter Head of National Land Agency number 11/HGU/BPN RI/2010 about legal land use rights for PT PN 3 located in Deli Serdang district, Sei Putih village, total area about **2,219.95 Ha**, issued in Jakarta February 17, 2010. Then, this decree consist of legal use right certificate, i.e :

- Legal land use certificate No. 5365, total area about 61.48 Ha, valid until 20/03/2042, issued on 21 March 2017 in Lubuk Pakam.
- Legal land use certificate No. 5366, total area about 2,016.37 Ha, valid until 20/03/2042, issued on 21 March 2017 in Lubuk Pakam.
- Legal land use certificate No. 5364, total area about 4.67 Ha, valid until 20/03/2042, issued on 21 March 2017 in Lubuk Pakam.
- Legal land use certificate No. 5363, total area about 133.79 Ha, valid until 20/03/2042, issued on 21 March 2017 in Lubuk Pakam.
- Legal land use certificate No. 5362, total area about 3.64 Ha, valid until 20/03/2042, issued on 21 March 2017 in Lubuk Pakam.

Estate has established procedure for monitoring and maintaining boundary pillars document number PK-3.11-10 Rev 00. This procedure describe that monitoring and maintaining will carry out in every six month and reported to the estate manager.

Sei Putih Estate has record map of boundary pillars and record of boundary pillar maintenance, i.e.: boundary pillars monitoring report carried out on October 2016. Based on monitoring record at Division 3 was identified 92 unit, with 87 unit in good condition example additional boundary pillar no.12-b and 5 unit missed. However, No effort for maintenance and change the pillar. This condition, auditor raise as non conformity (**NCR No. RSPO01197**).

4. Sarang Ginting Estate : 1). Decree letter Head of National Land Agency number 37-HGU-BPN RI-2009 about land use rights on behalf PT PN 3 total area **813.39 Ha** located in Serbajadi village, valid for 25 years from dated issued on February 13, 2009 in Jakarta. This decree letter mentioned the legal land use rights should use for plantation development accordance to the governmental official approval. Then, this decree consist legal land use rights certificate, i.e.:

- Legal land use certificate No. 4, total area about **591.28 Ha**, valid until 07/04/2034, issued on 08/09/2009 in Sei Rampah.
- Legal land use certificate No. 3, total area about **112.18 Ha**, valid until 07/04/2034, issued on 08/09/2009 in Sei Rampah.
- Legal land use certificate No. 2, total area about **109.93 Ha**, valid until 07/04/2034, issued on 08/09/2009 in Sei Rampah.

2). Decree letter Head of National Land Agency number 188/HGU/BPN/2004 about land use rights located Serdang Bedagai district total area about **2,238.33 Ha**, valid for 25 years, issued in Jakarta on December 16, 2004. On this decree letter mentioned the land use rights should use for plantation development for palm oil and rubber based on government official approval. Then, this decree consist legal land use rights certificate, i.e.: Legal land use certificate No. 163, total area about 2,238.33 Ha, valid until 31/12/2029, issued on 01/09/2005 in Lubuk Pakam.

Estate has established procedure for monitoring and maintaining boundary pillars document number PK-3.11-10 Rev 00. This procedure describe that monitoring and maintaining will carry out in every six month and reported to the estate manager.

5. Gunung Monaco Estate : Decree letter Head of National Land Agency number 188/HGU/BPN/2004 about renewal land use rights located in Serdang Bedagai district,

total area about **2,322.775 Ha** located at Sipispis subdistrict. This decree letter valid for 35 years, issued in Jakarta on December 31, 2004. Then, this decree consist of legal land use rights certificate, i.e. Legal land use rights certificate No. 160, with total area 2,322.775 Ha, valid until 31/12/2029, issued on 01/09/2005 in Lubuk Pakam. Based on information on this document, mentioned this license should use for palm oil plantation development.

Estate has established procedure for monitoring and maintaining boundary pillars document number PK-3.11-10 Rev 00. This procedure describe that monitoring and maintaining will carry out in every six month and reported to the estate manager.

Legal boundary are visibly maintained example boundary pillar no.156 in Block F13 (division 3) is good condition (GPS : 03° 15' 03" N; 99° 01' 52" E).

During 1st surveillance audit that there have been dispute in some estates (Gunung Monaco, Silau Dunia, Sei Putih and Sarang Giting estate). Based on tabulation of occupation areas by community period of year 2012 to 2016 that total of occupation areas until year 2016 in Gunung Monaco estate is 135.78 ha, Silau Dunia estate is 633.97 ha, Sei Putih estate is 45.51 ha and Sarang Giting estate is 103.60 ha. Whereas, based on interview with management, review of records which was available, and verification made during the interview with the Head of Sei Sedang village that there is no land dispute in Tanah Raja Estate.

The company have Conflict Resolution Procedure (No: PK-3 1/8-12 No Rev 02 dated on 3 April 2017) that first attempted to resolve the conflict through the non-litigation process. This involved negotiations, persuasive approach, and discussion for payment of compensation.

In Gunung Monaco estate, found some area in dispute condition, with total area about 137.2 Ha, and company has carried out compensation process and during the certification assessment area about 1.62 Ha has been compensation already, evidenced with compensation record between company and community, example minutes of compesation process (Suguh Hati) in around the riparian river in division I, field number K, L about 1.62 Ha on Friday, April 4, 2014. Then the balance about 135.58 Ha still in compensation process, were the company carried out the identification of land occupied in division I, III and IV; invite the community occupied in April 23, 2015; but there is no person from community invited the invitation.

in Sarang Giting estate also found total area about 105.25 Ha land dispute, this land dispute already finished compensated process evidenced by record of compensation (Suguh Hati) located in division I, field number J40, and between company and occupied already agree with compensation process. Total of compensation areas amount of 1.65 ha so that last condition is 103.60 ha still occupation areas. Moreover, a separate and overlapping land title (Sertifikat Hak Milik) No 9 was also issued by National Land Agency in Deli Serdang District on 8 June 1998 measuring 3,098 m square on behalf Mr Abidan Lintang Sitorus Pane which overlaps with the land use right (HGU) was issued on behalf Sarang Giting Estate. Mr Abidan is now deceased and the claim is now being pursued by his children (Claimants). A map showing the HGU area and the area under conflict is available and sighted. This map is also used in the litigation proceedings. The company has carried out several negotiation and mediation but not successful, for example :

- a. On 18 November 2011, a meeting to negotiate compensation was held where the Claimants asked for IDR 600,000,000 as compensation which Sarang Giting Estate did not agree about it.
- b. On 2 November 2015, a meeting between Sarang Giting Estate and the Claimants were held, where the latter was requested not to proceed with clearance and development on the disputed land, but this request was rejected by the Claimants.
- c. On 23 November 2015, Sarang Giting Estate and the Claimants attended a mediation session by the Head of Dolok Masihul Sub District but no amicable solution was found. The Head of Sub District had therefore recommended that the dispute be brought to the Court for litigation.
- d. On 9 December 2015, the Claimants started to clear the disputed land.
- e. On 15 December 2015, a letter was issued by Sarang Giting Estate to the Claimants to cease all activities on the disputed land but this also went unheeded.
- f. On 5 January 2016, Sarang Giting Estate referred the land dispute to their lawyers.
- g. On 12 May 2016, court litigation commenced.

In Silau Dunia estate, there are occupation areas inside land use right (HGU) areas by surrounding communities where existing condition is the villager has planted with oil palm and fruit trees, as well as building structure. Among the claims include :

- a) Jamsari and Juminan (the Claimants), who were each issued with land titles (Sertifikat Hak Milik - SHM) for 9,976 sq metres, and 18,391 sq metres respectively on 30 December 2008. These

- land titles overlap with the land use right (HGU) issued to PTPN III Silau Dunia Estate.
- b) The land title was issued to Juminan by National Land Agency (BPN) in Simalungun District, whereas the land title issued to Jamsari was by National Land Agency (BPN) Serdang Bedagai District on land situated within Serdang Bedagai District.
 - c) There is an undated pictorial evidence of a participatory and ground verification carried out on the Claimants' land by the representatives of PTPN III, National Land Agency, and Juminan. However, Jamsari was not available during the land verification exercise because he now lives in Aceh.
 - d) On 17 November 2015, Silau Dunia Estate wrote to National Land Agency (BPN) Simalungun and Serdang Bedagai District to seek clarifications on the status of the overlapping land titles which were issued on the HGU of Silau Dunia Estate.
 - e) As of the date of the audit, this issue is still pending clarifications from the BPN.
 - f) For other claimants with ownership land title (SHM) and who collectively occupy 699.3 ha of dormant land use right (HGU) land, negotiations between the affected communities and Silau Dunia Estate have commenced and are still ongoing. Some negotiations have concluded with the payment of a mutually agreed compensation. Based on the documents sighted, negotiations for compensation with the claimants are carried out in accordance with the internal procedures of PTPN III (Document No: PK-3 1/8-12 No Rev 02 Revised on 3 April 2017). A visit was made to one of the recipient of compensation, namely Halim, who admitted to planting coconut and oil palm trees on Silau Dunia Estate's Land Use Right (HGU) land. There is evidence that the negotiation and compensation of IDR 3,280,000 paid to Halimi for coconut and oil palm trees which he planted were mutually agreed between the parties, as evidenced by a letter dated 6 October 2016. There is no evidence any use of force. This was further verified and confirmed during interview with Halimi and his wife. There is a map showing the location occupied by the community with the scale of 1: 18,000.

As observed during the audit, there have been dispute where map of conflict areas, resolution of conflict was available. For Gunung Monaco estate, Silau Dunia estate, Sarang Ginting estate and Sei Putih estate, the dispute is not significant as they do not prevent the estates from operating normally and there are not evidence that violence has been used to instigate violence in maintaining peace and order.

Criterion 2.3: Use of land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.

Findings:

Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.

In Silau Dunia estate, there is a map showing the location occupied by the community with the scale of 1: 18,000. The total area occupied by the local community is 644.97 hectares (during audit or existing condition). The disputed land claims involve local communities who have encroached into the land use right (HGU) issued by the National Land Agency (BPN) to Silau Dunia Estate. Negotiations for compensation is currently ongoing in accordance with the PTPN III SOP for conflict resolution Document: PK-3 1/8-12 No Rev 02. Some claimants have received compensation based on a mutually agreed calculation. There is evidence that the negotiation and compensation of IDR 3,280,000 paid to one Halimi for coconut and oil palm trees which he planted were mutually agreed between the parties, as evidenced by a letter dated 6 October 2016. There is no evidence of force used. This was further verified during audit interview conducted with Halimi and his wife. Additionally, there are also two overlapping issuance of Land Ownership Certificates on the same land by the National Land Agency (BPN) to two individuals, namely Jamsari and Juminan (the Claimants), who were each issued with land titles (Sijil Hak Milik - SHM) for 9,976 sq metres, and 18,391 sq metres respectively on 30 December 2008. These land titles overlap with the Land Use Right (HGU) issued to PTPN III Silau Dunia Estate. There is an undated pictorial evidence of a participatory and ground verification carried out on the Claimants' land by the representatives of PTPN III, National Land Agency (BPN), and Juminan. However, Jamsari was not available during the land verification exercise because he now lives in Aceh. On 17 November 2015, Silau Dunia Estate wrote to National Land Agency in Simalungun and Serdang Bedagai District to seek clarifications on the status of the overlapping land titles which were issued on the land use right (HGU) of Silau Dunia Estate. As of the date of the audit, this issue is still pending clarifications from the National Land Agency. Based on interviews with the Silau Dunia Estate management, the affected local communities and review of documents, there is no evidence that the claimants/communities have appointed any representatives.

In Sarang Ginting estate, the process of negotiations and conflict resolution undertaken by Sa-

Compliance status :
 Yes
 No

NCR No :
 -

rang Giting Estate were done in accordance with the internal procedure contained in Procedure Document No: PK-3 1/8-12 No Rev 02. Copies of meeting records are available and sighted. Due to the unsuccessful attempts at meetings and persuasive negotiations, Sarang Giting Estate decided to proceed with litigation as per the SOP on conflict resolution. Sarang Giting Estate is represented by Advocate Hasrul Benny Harahap, and the claimants/communities are being represented by their legal counsel, Advocate Sardion Sihite & friend.

The company has maps of an appropriate scale showing the extent of recognised legal, customary or user rights and has not developed through participatory mapping involving affected because acquisition process has carried out long time ago. All these are activities allowed under agreed conditions between the company and the local communities. There is no specific FPIC procedure,

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

Findings:

The company both mill and estates has business or management plan (minimum three years) i.e. long term plan (Rencana Jangka Panjang) period of 2014 to 2018. The document has includes information on budget for all estates area stated considering hectare statement (total areas per type of plant, year of planting, and division), crop/FFB production projection = Fresh Fruit Bunches (FFB) yield trends, stand per hectare (SPH), inventory of road and field drain, volume of fertilizer (mature, immature & replanting or conversion), cost of production (include of management of social impact & HCV and technic section). Whereas, budget for mill stated considering projection of FFB processed, CPO & PK production (include of their extraction rate), cost of production = cost per tonne of CPO trends. During audit, long term plan period of 2015 to 2018 on behalf mill and estate not consolidate so that several informations on long term plan not available i.e forecast/projection of FFB and product (CPO & PK) price or trend of FFB and oil price in mill and financial indicator in mill and all estates. It was raised as non-conformity (**NCR no. RSPO01198**).

The Tanah Raja estates has annual replanting programme projected for a minimum of five years as see **Table 7** above (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, as determined on replanting programme stated on memorandum no.3.09/Kbn/MO/83/2017 dated on 21 April 2017 & no. KTARA/3.09/MO/151/2017 dated on 25 April 2017 and circular letter no.3.09/SE/21/2016 dated on 21 December 2016.

The previous replanting programme is year 2016 : 240 ha and year 2017 : 126.70 ha. It has stated on previous report. Current replanting programme has informed on **Table 7** above i.e year 2017 : 524 ha (year of planting 1993), year 2018 : 519.11 ha (year of planting 1993, 1994 & 2003), year 2019 : 337.79 ha (year of planting 2002, 2003 & 2004), year 2020 : 0 ha, year 2021 : 83.50 ha (year of planting 2003) and year 2022 : 167.14 ha (year of planting 2004 & 2003). Whereas, replanting programme year 2017 amount of **524 ha** in Tanah Raja estate such as block 109, 110, 111, 91, 71, 88, 89, 90, 91, 69, 187, 190, 207, 208, 227, 228, 229, 50 and 70.

Compliance status :
 Yes
 No

NCR No : **RSPO01198** (major)

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

Findings:

The Standard Operating Procedures (SOPs) for Estate and Mill are available as seen in document of procedure for PTPN III. The SOP covers estate activities such as pre-development and planning, nursery practices, land clearing and preparation, establishment and maintenance of leguminous cover crops, oil palm planting density and pattern, and maintenance, harvesting, IPM, replanting, HCV Management. While SOPs for Mill is available for all operations, including the weighbridge, operation of sterilizer, load-ing ramp, thresher, digester, press, vibrating screen, decanter, sludge separator, ripple mill, clay bath, depericarper, kernel, boiler, water treatment plant etc. The company has a master list of all SOPs, namely list of work procedure and instruction.

The SOPs was developed by head office and distributed to all estate and mill on intranet. The SOP was documented in an appropriate language (Indonesian language) and can be ac-

Compliance status :
 Yes
 No

NCR No : **RSPO01225** (major)

cessed by unit.

The company has conducted training about related SOP for workers in 2017 e.i.

Tanah Raja Estate

- a. Training about mature oil palm maintenance, fertilizing, integrated Pest Management and Pesticide on May 24, 2017
- b. Training of imature oil palm maintenance on May 19, 2017

Silau Dunia Estate

- a. Training of IPM on February 16, 2016
- b. Training of Harvesting on June 3, 2016

Sei Putin Estate

- a. Sosialization of hazard waste management on March 23, 2017

During verification of document, No evidence that Sei Putih estate has conducted socialization of weed control chemically to sprayer worker in 2016 and 2017. Auditor raise as nonconformity (**NCR no. RSPO01225**).

During visit to the field and interview to worker at Mill, grading worker has understood and implemented about SOP for Reception FFB accordance against SOP Reception FFB, SOP-Mill-001. For Estate, during visit to the field at Silau Dunia, harvester has understood and implemented about Work instruction for harvesting FFB accordance against WI harvesting oil palm, IK-3.09-05/04.

The company has a mechanism check consist of implementation procedure through internal audit as determined on SOP for internal audit, No. Doc, PK-3.12-05. In the procedure has regulated that audit schedule once time audits per year for each Estate and Mill.

Organization has conducted internal audit in 2017 e.i :

- Tanah Raja Estate has conducted internal audit on March 17-18, 2017,
- Silau Dunia Estate has conducted internal audit on March 10-11, 2017,
- Sei Putih Estate has conducted internal audit on March 13-14, 2017
- Rambutan Mill has conducted internai audit on March 6-7, 2017.

The company has a mechanism for corrective action for continuous improvement as determined in SOP for Corrective action, PK-3.12-06. The company maintain record of internal audit against activities at estate and mill in 2017.

It has been verified that there are not 3rd party FFB received by the mill because FFB from other estate under PTPN III. Moreover, mill has established procedure for third party FFB sourcing with document No.PK-3.11-12 Rev.01 revision dated on 19-05-2016. This procedure not clearly mentined about how to ensure the FFB thord party souce comply with national regulation.

Based on production records for 2016 and 2017, list of FFB source is available in place. Records of daily FFB volume per day incoming available in place through the daily production records for 2016 and 2017.

The mill has record the origins of all sourced Fresh Fruit Bunches (FFB) as example is daily and summary records of volume and origins of FFB received, FFB delivery note, weighbridge slip.

Based on Tabel 2 above that several suppliers listed (exclude of Tanah Raja, Silau Dunia, Sei Putih, Sarang Ginting and Gunung Monaco) are Rambutan, Gunung Para and Gunung Pamela estate.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Findings:

Practices that maintain or enhance soil fertility to ensure sustained yield are contained in work instruction of palm fertilizing (IK-3.01-03/16 Rev.01). Fertilizing activity should accordance to doses, way/mechanism of application, year of planting, fertilizer type and time for fertilizer application.

Estate has fertilizer application plan (mature and immature areas) consist of amount of area, location, fertilizer type and time of fertilizing application. Estate has record of fertilizer usage per tonnes of FFB production in 2017 (until April) e.i :

Tanah Raja estate

Compliance status :

- Yes
- No

NCR No :
-

- a. NPK : total application on January-April 2017 amounted to 155,325 kg with FFB produced as much as 8,231 tonnes so that the application of fertilizers per ton of FFB is 18.87 kg / ton of FFB
- b. Dolomite : total application on January-April 2017 amounted to 3,8764 kg with FFB produced as much as 8,231 tonnes so that the application of fertilizers per ton of FFB is 4.7 kg / ton of FFB.

Silau Dunia Estate

- a. NPK : total application on January-April 2017 amounted to 14,818 kg with FFB produced as much as 9,996.78 tonnes so that the application of fertilizers per ton of FFB is 1.4 kg / ton of FFB.
- b. Dolomite : total application on January-April 2017 amounted to 201,808 kg with FFB produced as much as 9,996.78 tonnes so that the application of fertilizers per ton of FFB is 20.18 kg / ton of FFB

Sei Putih Estate

- a. NPK : total application on January-April 2017 (at Division IV) amounted to 184,126 kg with FFB produced as much as 6,351 tonnes so that the application of fertilizers per ton of FFB is 28.9 kg / ton of FFB
- b. Dolomite : total application on January-April 2017 amounted to 13,349 kg with FFB produced as much as 6,351 tonnes so that the application of fertilizers per ton of FFB is 2.1 kg / ton of FFB.

The company has procedure of soil and leaves analysis with number of document IK--3.19.01/04. Estate has carried out the foliar sampling (leaf and soil analysis), with record evidenced, i.e.:

1. Tanah Raja estate; leaf analysis based foliar sampling certificate number 988/0.1/Sert/VIII/2016 dated on August 25, 2016. Then the soil analysis certificate number 458/0.1/Sert/IV/2014 dated on April 24, 2014.
2. Silau Dunia estate; leaf analysis based on foliar sampling certificate number 797/0.1/Sert/VI/2016, dated on July 26 2016, and the soil analysis certificate number 461/0.1/Sert/IV/2014 dated on April 25, 2014.
3. Sei Putih estate; leaf analysis based on foliar sampling certificate number 797/0.1/Sert/VI/2016 dated July 26, 2016 and the soil analysis certificate number 462/0.1/Sert/IV/2014 dated on April 25, 2014.

All of foliar sampling were carried out by Palm Oil Research Institute of Medan. Records the results of the soil analysis and the leaves used as a fertilizer recommendations and fertilizer program in 2017 and there is record of a fertilizer recommendation for 2017.

During 1st surveillance audit, Empty Fruit Bunch (EFB) application/mulching was not implemented at all estates and POME from Rambutan POM has dispatched to Rambutan estate (not include of scope of audit). Whereas, palm residues after replanting activities has implemented on replanting block (block 06 – Division 1 - Tanah Raja Estate).

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

Findings :

Based on HCV assessment identification document and soil type map that soil type are inceptisol and ultisol. Based on information above, there is no fragile soil include of peat soil in Tanah Raja, Sarang Ginting, Sei Putih, Silau Dunia and Gunung Monaco estate so that there is no management for fragile soil strategy include of the other fragile and problem soils (e.g sandy, low organic matter, acid sulphate soils).

Based on elevation/topografi map that topografi or countur or slope from fifth estates is flat to hilly (under a certain limit) so that there is no management strategy for plantings on slopes above a certain limit.

Fifth estates have road maintenance programme and it has implemented on field so that some roads can be accessed by vehicle and employee as example road to block 385, block 362, block 313, block 301, block 06 (Tanah Raja estate), block 156, block 186 (Gunung Monaco estate), etc.

Based on information above that no peat soil in fifth estate areas so that subsidence of peat not be monitored and documentation of water, ground cover management programme and

Compliance status :
 Yes
 No

NCR No :
 -

drainability assessment not available.

Criterion 4.4: Practices maintain the quality and availability of surface and ground water.

Findings:

The company has established water management plan as seen on water management document, include of identification of water sources, efficient use of water through defined water usage standard, effort to renewability of water source, through protection and quality monitoring of water sources, also avoidance of surface and ground water contamination. The management plan has implemented consistently as seen on report of water management.

All estate has HCV Map with scale 1:50.000. Base on HCV Map, there is surface water source at Estate such as :

- Rambu Sialang river at Tanah Raja Estate
- Bah Hilang river, Bah Suhih river, Bah Sarimah river, Kerapuh river, Bah Belutu river, Pondok air water springs at Silau Dunia Estate
- Ali watersprings, Sei Ular river (near with boundary pillar no.2) & river on block O-19 or notation of 14 at Sei Putih Estate
- Bah Bolon river (block F.09 – Division 1 and block K & L-08 – Division 1) at Gunung Monaco Estate

All estate conducted protection for avoidance of surface water contamination through installed signboards and green belt pillar near river stating that Chemical Application is Prohibited. During field visit at at Rambu Sialang river, Bah Hilang river, Sei Ular river, Ali watersprings and Bah Bolon, there is evidence that the company has conducted it. Moreover, it has maintained and restored appropriate riparian and other buffer zones according to national best practice and national guideline ben documented. Some oil palm trees has been planted on riparian areas where it will cutting on replanting time.

The company has procedure for riparian and buffer zone protection, namely procedure for HCV management and monitoring (PK.03-09-08). There is evidence that of procedure implemented through planting conservation trees for riparian protection presented in report of planting conservation trees. During field verification, there is evidence that estate has implemented the SOP such as :

- Install Signboard prohibited to cutting and destroy tress at river bank
- Install Green belt pilar at river bank

The company has procedure related with water management, namely Working Procedure of Water Management and Usage (PK-3-11-05). The procedure mentioned providing, distribution and usage of water. The company has established standard for usage of water. There is evidence that procedure implemented such as report of water usage monthly (FM.3-11-05/01) and report of water usage evaluation monthly (FM.3-11-05/02).

Rambutan Mill uses surface water for processing activity and others. Mill maintain record of water usage periodically presented in report of water usage monthly. Base on report of water usage monthly, there is record of mill water use per tonne of Fresh Fruit Bunches (FFB) until April 2017 such as :

- January 2017 = 1.46 m³/tonne FFB
- February 2017 = 1.53 m³/tonne FFB
- March 2017 = 1.39 m³/tonne FFB
- April 2017 = 1.52 m³/Tonne FFB

The company have plant for effluent treatment process in place including 4 (four) pond. There is also working instruction (WI) for monitoring mill effluent pond installation (IPAL) (document no. IK-3.03-15/05), The WI mentioned detail of environmental monitoring activities of POM's Effluent (IPAL), including quality standards of each processes,

Rambutan mill has conducted BOD monitoring of effluent every month by third party accredited laboratory i.e. Binalab. Until April 2017, all BODs monitoring results complies with the standard or national regulation i.e: Ministry of Environmental decree No. 29 year 2003, i.e: BOD ≤ 5,000 mg/l and pH : 6-9 (Criterion 2.1 and 5.6). Mill discharges waste water to Land

Compliance status :

- Yes
 No

NCR No :

-

application area (Rambutan estate). The company has a license for land application of mill effluent No. 18.32/660/321/2015 dated on October 6, 2015, still valid during the audit, Issued by Head of environment agency of Serdang Bedagai District.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

Findings:

The company has program of Integrated Pest Management (IPM) plans year 2017 consist of early warning system (EWS)/Census pest, maintenance beneficial plant (*Turnera subulata*, *Antigonon leptosus*), pest control with use of chemical when condition of pest attack has been above threshold. It is documented/presented on work program year 2017.

The company has procedure for IPM presented in Work instruction, e.i :

- a. Work Instruction on Guidelines for sampling techniques and methods of controlling pest oil palm, IK-3.09-03/11
- b. Work Instruction on Palm Oil Plant Disease Control IK-3.01-03/12

Each Estate has record of IPM plan implementation for 2017, such as Report of Census of pest (caterpillar, rat etc) and disease (Ganoderma) January – May 2017, Monthly Report of attack pest and disease, January –July 2016 and Report of cultivation beneficial plant including located, amount of beneficial plant.

The IPM plan has implemented and implementation of IPM plan has monitored. Evidence of implementation of IPM plan i.e using beneficial plant such as plant *turnera subulata* example at Block 85 – (Division I - Tanah Raja Estate) and at Block BB26 (Division I – Silau Dunia Estate) and carried out the the hoarding and isolation all oil palm trees attacked by Ganoderma year 2015 in Tanah Raja estate as a metioned in work instruction. However, during field verification at division 2 - Gunung Monaco Estate, there is no found beneficial plant adequate in accordance with the level of caterpillar pests as one of the implementation of the IPM plan. It was raised as nonconformity (**NCR no.RSPO01200**).

Training of those involved in IPM implementation or pest control has been demonstrated as stated on training of IPM dated on May 24, 2016 (Tanah Raja estate) and February 22, 2017 (Silau Dunia estate). Whereas, the last IPM training at Sei Putih Estate is year 2012 so that Sei Putih has not done the latest IPM training. It was raised as non-conformity (**NCR no.RSPO01224**).

Compliance status :

- Yes
- No

NCR No :
RSPO01200 (major) &
RSPO01224 (minor)

Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment

Findings:

Considering the nature of company's condition and target pest, weed or disease, and following recommendation from plantation section and permit from local government regarding agrochemical can be used so that the company use some listed pesticide as determine on list of pesticide used year 2016 & 2017. All pesticides used shall be demonstrated. The use of selective products that can prove have minimal effect on non-target species shall be used where available.

Records of pesticides use (area treated, amount of active ingredients applied per ha) was provided/available but information of active ingredients used and their LD₅₀ not provided/available except posat at Gunung Monaco estate; orthene, heksa, starane and sida-up at Tanah Raja estate and orthene and sida-up at Sei Putih estate. Moreover, information of total of applicant and name of employee/applicant for maintainance activities and pest and disease control using agrochemical year 2016 & 2017 not available/provide too (internal employee in Gunung Monaco, Tanah Raja and Sei Putih estate & external employee or sub-contractor employee : Gunung Monaco and Tanah Raja estate). It was raised as non-conformity (**NCR no.RSPO01201**). List of agrochemical used by some estates as follows :

- Sei Putih estate (division of III) in year 2017 (till audit) : sida-up is 254.58 litre, posat is 70.04 litre, decis is 33 litre, emulgator is 6.51 litre and orthene is 258.86 litre.
- Tanah Raja estate (2nd semester year 2016) : sida up is 100.68 litre, posat is 910.83 litre, ally 20 WDG is 52.30 kg, emulgator is 156.96 litre, starene 480 EC is 73.48 litre, sun up 480 SL is 1,673.98 litre, matador 25 EC is 444.96 litre, marsal 5G is 82.07 kg, decis 25 EG

Compliance status :

- Yes
- No

NCR No :
RSPO01201 (major),
RSPO01202 (minor),
RSPO01203 (major),
RSPO01204 (major),
RSPO01205 (mi-

is 200 litre, orthene is 1,114.45 kg, scud 100 EW is 91.35 kg. Whereas, January to March 2017 (1st triwulan) are fosat is 1,181.4 litre, ally is 54.74 gr, starane is 31.44 litre, orthane is 461.60 gr, matador is 918.64 litre and scud is 14 gr.

- Gunung Monaco estate (1st triwulan year 2016) : sida up is 5.53 litre; 2nd triwulan year 2016 : sida up is 404.53 litre; 3rd triwulan year 2016 : sun up is 432.53 litre and decis is 20 gr and 4th triwulan year 2016 : posat is 811.65 litre and decis is 90 gr.

Any use of pesticides has minimised as part of a plan and in accordance with Integrated Pest Management (IPM) plans except matador in Tanah Raja estate because benefit plan just planted,. There have no prophylactic use of pesticides. Based on information above that use of pesticides with categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat are not used. Based on interview with person in-charge on agrochemical store in estate and division of III-Sei Putih and Gunung Monaco estate that they are not understand the category of agrochemical for agrochemical stock in warehouse and or have been used as categorized in class 1a or 1B by WHO, or those are listed in the stockholm and rotterdam convention or not. It was raised as non-conformity (**NCR no. RSPO01202**).

Procedure of handling insect and disease (IK-3.09-03/12 rev.2 dated on 19 May 2016) and handling of hazardous chemical (IK-3.09-03/14 rev.01 dated on 19 May 2016) was available as example in Gunung Monaco estate, Sarang Ginting estate and Tanah Raja estate. There are evidences of sprayer has trained and in accordance with application guidelines in product label and storage guidelines in Tanah Raja estate, Sarang Ginting estate and Silau Dunia estate. Material Safety Data Sheet (MSDS) for use of pesticides year 2016 & 2017 was available in each division's agrochemical store/warehouse except division of III – Sei Putih estate because only sida up, bayleton and orthene so that it has not completed. Whereas, Gunung Monaco and Sei Putih estate has carried out handling of agrochemical or application guidelines training and storage guidelines for sprayer, maintenance supervisor and clark of warehouse/store and evidence of training was available but Gunung Monaco and Sei Putih estate has not been informed total of sprayer and their name (internal & external employee) for maintenance activities and pest & disease control use of pesticide year 2016 & 2017 so that there is not evidence that all sprayers year 2016 & 2017 has participated in training. It was raised as non-conformity (**NCR no. RSPO01203**). Based on, the result of field visit in division of office and verification of document in Tanah Raja estate, Sei Putih estate and Gunung Monaco estate that PPE of spraying for internal employees was available/provided as example mask, helmet, rubber glove, apron, glasses and shoes boat for sprayer, maintenance supervisor and clark of agrochemical store except in division of III – Gunung Monaco estate because based on interview with spraying supervisor that he and sprayer employees not use of PPE. Moreover, no evidence that external/sub-contractor employees has provided adequate of PPE appropriate risk assessment result by the company and employees has utilized PPE because Gunung Monaco and Sei Putih estate no spraying activities during audit. It was raised as non-conformity (**NCR no. RSPO01203**).

Storage of all pesticides were according to recognised best practices. All pesticide containers has properly disposed/managed according to the existing regulation in Sarang Ginting estate and Tanah Raja estate except in Sei Putih estate because used agrochemical container (as hazardous and toxic waste) year 2016 & 2017 was not available in division of III store/warehouse and Sei Putih estate warehouse/store has not been received used agrochemical container from division of III. Moreover, bayleton & ethrel container was available in Sei Putih estate warehouse/store but other agrochemical containers which has used by all divisions year 2016 & 2017 not available. Moreover, 3 pcs agrochemical container not available in Gunung Monaco estate warehouse/store. It was raised as non-conformity (**NCR no. RSPO01204**). Hazardous & toxic waste at Sarang Ginting estate has hand over to PT Veronica Tannage on May 2017 such as agrochemical container (@ 25 litre) : 0.006 ton, agrochemical container (other @ 25 litre) : 0.541 ton and fertilizer bag used : 0.939 ton as stated on hand over minute/statement (Berita Acara Penyerahan) and manifest. Other informations can be seen in creterion 5.3).

Application of pesticides has proven methods that minimise risk and impacts. As seen on risk assessment impact and evidence of training for risk and impacts of pesticides application.

Pesticides is not applied aerielly only where there is documented justification. Communities

nor),
RSPO01
206 (ma-
 jor),

has not informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application because the company not carry out aerial spraying.

Maintenance of employee knowledge and skills on pesticide handling has demonstrated, including provision of appropriate information materials. Proper disposal of waste material, according to procedures that are fully understood by workers and managers has demonstrated. Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling except in Sei Putih estate because record of handling of agrochemical and storage pesticide training to sprayer who application year 2016 and or 2017 not available. It was raised as non-conformity (**NCR no.RSPO01205**). All of ex-pesticides waste/container disposal evidence (logbook & manifest) are available and checked by auditor team. For examples has explained on 3rd paragraph above from this is paragraph.

Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, has be demonstrated, as seen on records of spesific medical examinations (cholinesterase) year 2015 (it has conducted for 20 applicators from Gunung Monaco estate and Sei Putih estate) and June 2017 (it has conducted for 5 applicators from Tanah Raja estate). The result of the test shown normal cholinestraxe level for all workers. Tanah Raja, Gunung Monaco and Sei Putih estate has not been informed total of internal employee and their name for spraying activities year 2016 & 2017 so that adequate evidence that estates has carried out specific annual medical surveilalnce for all pesticides operator not available. Moreover, Gunung Monaco and Tanah Raja estate could not been founded evidence that specific annual medical surveillance for all sprayers from external employee (sub-contractor) has carried out. Whereas, Rambutan POM has carried out the last of specific annual medical surveillance year 2015 for 10 employees so that year 2016 and 2017 has not been carried out. It was raised as non-conformity (**NCR no. RSPO01206**).

There is not evidence that work with pesticides were undertaken by pregnant or breastfeeding women, as seen on document on list of sprayer employee (internal employee) in Tanah Raja estate, Sarang Ginting estatem Sei Putih estate, Silau Dunia estate and Gunung Monaco estate. Whereas, external employee still not provide info of employee name.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

Findings:

The company have health and safety policy where it has included on PTPN III Sustainability's policy (it has signed by Director of Operation (Mr Nurhidayat) dated on 09 February 2017). Moreover, Tanah Raja and Sarang Ginting estate have HSE or OSH policy which has signed by each estate manager. PTPN III sustainability's policy and OSH/HSE policy has found in estate's meeting room or estate office room. A health and safety plan covering all activities that has been documented on OSH programme and implemented, and its effectiveness monitored. The OSH/SHE policy includes documented objectives and targets, i.e. comply with the company's OSH procedures, committed to wearing of Personal Protective Equipment (PPE) at work sites, and manage potential work risks at the site.

PT Perkebunan Nusantara III (Rambutan Mill, Sarang Ginting estate, Sei Putih estate, Gunung Monaco estate, Tanah Raja estate) have revision of identified and documented Occupational Health and Safety (OHS) risks (Hazard Identification, Risk Assessment and Risk Control) for Mill & all estates activities and it has approved by estate manager as example in Tanah Raja estate (date of approval : 13 January 2017), Sarang Ginting estate (date of approval : 03 February 2017), Gunung Monaco estate (date of approval : 06 January 2017) & Rambutan mill (dated of approval : 08 February 2017). Severity score and likelihood score used in HIRAC is 1 to 5 (severity score) & A to E (likelihood score). Risk contol has carried out by estate & mill as example use of PPE (helmet, safety glass, boots, glove) in harvesting activity and their monitoring and awareness programme at Gunung Monaco estate & Sarang Ginting estate. Based on HIRAC in Rambutan POM that it has not completed with decision on effectiveness or not in the determination of its follow-up because the severity and likelihood was decided with score 2 (light injury / medium loss level) for boiler explosion while the potential danger which can happen is to explode/fire so that it can bring death/big loss (5). It

Compliance status :

- Yes
- No

NCR No :
RSPO01207 (major),
RSPO01208 (major),
RSPO01209 (major),
RSPO01210 (minor),
RSPO01211 (minor)

was raised as non-conformity (**NCR no. RSPO01207**). Furthermore, Clarification station not identified the potential noise risk on HIRAC as it was having high noise level is 87.3 dBA (the result of monitor/control dated on 14 November 2015). It was raised as non-conformity too (**NCR no. RSPO01207**).

The estate and mill have record of OSH/SHE program training in accordance with the result of HIRAC to workers as example first aid training to supervisor in estate which organized by education centre of PTPN III, morning meeting/brief regarding wearing PPE which good/accordance practice/instruction and mechanism of replacing of PPE cause damage or broken, sign board about mandatory PPE in agrochemical & fertilizer warehouse/storage and hazardous & toxic waste storage, etc. Estate and mill has provided PPEs for employee/worker such as helmet, cotton glove, rubber glove, safety glass, chemical mask, partial mask and safety boots as stated on the record of issuance of PPE or distribution of PPE to Tanah Raja estate's worker, to Gunung Monaco estate's worker, to Sarang Ginting estate's worker and to Rambutan POM's worker but the result of field visit that auditor was found inconsistency of PPE usage or PPE condition or employee has not receive PPE from company as example cleaning worker in Rambutan POM only wearing helmet, three workers not wearing ear plug or ear muff at sterilizer station areas (Rambutan POM), two mechanic repairing pump at engine/machine room and high level of noise (Rambutan POM) not wearing ear muff or ear plug, worker/employee (employee number : ...4859) harvesting at division of III – Sei Putih estate not wearing helmet because he has not been received helmet from company and harvester (Mr Hari Saputra) in Sei Putih estate using helmet not appropriate with requirement because the rubber/plastic in the head circumference of the helmet has been missing so that his helmet always moves and falls while he doing the harvesting activities. Moreover, sub-contractor's employee/worker (cutting rubber tree in Tanah Raja estate areas) not wearing PPE and the result of interview that sub-contractor company not provide PPE for their employee/worker because the estate or company has not carried out any assurance to a third party that they have fulfilled one of their obligation inside agreement clause relate of OSH. It was raised as non-conformity (**NCR no. RSPO01208**).

Estate and mill have OSH committee (P2K3) and it has approved by local government but there is not representative of operation workers (level of IA & IB) on organizational structure of OSH committee so that some issues or complaint relate of OSH in their level not discussed as example in Sei Putih estate. It was raised as non-conformity (**NCR no. RSPO01209**).

OSH committee has carried out periodical meetings on health and safety issues as example Tanah Raja estate has carried out OSH committee meeting with the content discussing about PPE dated on 24 November 2016 (attended by OSH committee member, assistant of estate manager, assistant of human resource and administration, assistant of division, supervisor, clerk, medical staff and store clerk), 23 March 2017 (attended by 13 persons), 27 April 2017 (attended by 13 persons) and 26 May 2017 (attended by 13 persons) where it has stated on OSH monthly report; Gunung Monaco estate has carried out OSH committee meeting with the content discussing about PPE, awareness of programme, accident, emergency, monitoring of division activities on January to May 2017 (January & February 2017 was attended by 20 persons and March to May 2017 was attended by 15 persons); Sarang Ginting estate has carried out OSH committee meeting dated on 27 January 2017, 28 February 2017, 23 March 2017 and 28 April 2017; and Rambutan POM has carried out OSH committee meeting dated on 29 March 2017 (attendant by 20 persons), 21 April 2017 (attendant by 17 persons) and 23 May 2017 (attendant by 20 persons) but OSH committee meeting in Sei Putih estate period of January to April 2017 does not reflect discussion of issues related to OSH when there are issues that require attention such as shoes boat or rubber boat (PPE) only lasted 3 months so that the remaining time in a year using self-purchased boots, the harvester still has no helmet or his helmet in damaged condition, medical examination not yet done, incomplete first aid box content/item, occupational diseases, availability of PPE other than helmet, etc. it was raised as non-conformity (**NCR no. RSPO01209**). Whereas OSH monthly report has submitted to local government (Man Power Agency in District) every month.

The company (estate & mill) have procedure for emergency (PK-3.16-08 rev.01 dated on 19 May 2016) and incident management (PK-3.16-35 rev.01 dated on 19 May 2016) on Indonesian Language. Some supervisors (harvesting, maintenance, process, etc) and OSH expert (secretary of OSH committee) at Tanah Raja estate, Gunung Monaco estate, Sei Putih estate and has participated or attended first aid training and they are available in the working areas. Some estate supervisors has brought first aid equipment/bag at worksite as example harvest-

ing supervisor at block 31B-Tanag Raja estate, harvesting superviso at block L15 or 234-Sei Putih estate, maintenance supervisor at block N17 or 276-Sei Putih estate and spraying supervisor at division of III-Gunung Monaco estate and first aid equipment box was available & complete at Gunung Monaco estate clinic. Gunung Monaco estate and or estate clinic is not inventoring or checking completeness of item/content and quantity first aid equipment (bag or box) per first aid type accordance with regulation amount of 13 boxes or bags (8 pcs with category A and 5 pcs with category B) period of January to May 2017 because auditor has found firs aid equipment in spraying supervisor's bag not complete. It was raised as non-conformity **(NCR no. RSPO01210)**.

Permanent employee/worker in estates and mill under PTPN III has covered health and accident insurance (BPJS Kesehatan and Ketenagakerjaan) and company has provided medical care in form clinic and hospital as example based on a salary summary – Sarang Ginting estate period of April and May 2017 and recapitulation of employee's wage period of April 2017 in Gunung Monaco estate amount of 225 employee. Whereas, sub-contractor's worker/employee for manual maintenance activities at division of V and for cutting rubber trees at division of II not covered medical care and accident insurance because company or estate has not been carried out ensuring to third party that they has complied/fulfilled one of their obligations in agreement clause relate of OSH. It was raised as non-cpnformity **(NCR no. RSPO01211)**.

Estates and mill have a statistic for accident year 2016 & 2017 in Loss Time Accident (LTA) form as example Tanah Raja estate, Gunung Monaco estate, Sarang Ginting estate, Sei Putih estate and Rambutan POM and accident report & investigation report has kept.

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

Findings:

The company (estate & mill) has formal training programme and training need for all staff/worker that covers all aspects of the RSPO Principles and Criteria, as example :

Tanah Raja estate :

- Hazardous waste handling (LB3) for maintenance supervisor & store clark and OSH certificate year 2016,
- Harvesting activity training for 16 harvesters on February 2017,
- HCV management for 5 supervisors on May 2017,
- Hazardous waste handling (LB3) for 7 clark on August 2017,
- Handling of chemical for 5 supervisors on August 2017,
- On the job training (back to basic planters) for May 2017.

Gunung Monaco estate :

- Handling of disease for 6 employees on 06 to 11 March 2017,
- Harvesting activities for 7 harvesting supervisor on 13 to 18 March 2017,
- Manuring activities for 7 maintenance supervisor, clark and staffs on 20 to 25 March 2017,
- Leaf sampling activities for 8 employees on 03 to 08 April 2017,
- Management of plantation protection for 7 supervisor and staff on 13 to 18 March 2017,
- Management of fertilizer for 7 staffs on 10 to 15 April 2017,
- On the job training (back to basic planters) for April 2017.

Sarang Ginting estate :

- Chemical handling planed for 8 staffs on April 2016,
- IPM activities for 1 staff on April 2016,
- Harvesting activities for 15 staffs on March 2016,
- ISPO/RSPO for 7 staffs on April 2016,
- Harvesting activity training for 16 harvesters on February 2017,
- HCV management for 5 supervisors on May 2017,
- Hazardous waste handling (LB3) for 7 clark on August 2017,
- Handling of chemical for 5 supervisors on August 2017,
- On the job training (back to basic planters) for May 2017.

Training records for each employee has be maintained such as training meeting minute, attendance list, for examples :

Compliance status :

- Yes
 No

NCR No :

-

Tanah Raja estate :

- On the job training (back to basic planters) dated on 19 May 2017 in division of III office and 6 workers was attended; in division of IV office and 6 workers was attended and in division of V office and 2 workers was attended.

Gunung Monaco estate :

- Harvesting training dated on 20 March 2017 and was attended by 8 staffs,
- Leaf sampling training dated on 14 March 2017 and was attended by 8 staffs,
- Inspection of palm oil good culture dated on 13 March 2017 and was attended by 10 staffs,
- Sampling technique and method for disease training dated on 06 March 2017 and was attended by 10 staffs.

Sarang Ginting estate :

- IPM training dated on 09 March 2017 at division of V and was attended by 7 staffs,
- Dissemination of company policy, vision & mission of PTPN III, code of conduct, procedure and work instruction, PPE, sexual harrasment, waste management and conflict management dated on 17 November 2016 and was attended by management staff and mill, technical and division of I to V's staff,
- On the job training for harvester at division of V dated on 17 November 2016 and was attended by 31 harvester.

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

Findings:

All estates have revision of environmental document (Environmental Impact Assessment (AMDAL) documents or environment management & monitoring effort document). It has got approval from local government as example those sighted are :

- Rambutan Mill (No.660/59.C/KAN AMDAL/2008 dated on 11 May 2008) and Rambutan Estate (No.660/59.A/KAN AMDAL/2008 dated on 11 May 2008),
- Tanah Raja estate (No.660/59.B/KAN AMDAL/2008 dated on 11 May 2008 jo no.660/61/KAN-AMDAL/2009 dated on 14 May 2009),
- Silau Dunia estate (no.660/59.0/KAN-AMDAL/2008 dated on 11 May 2008),
- Gunung Monaco estate (No. 660/59.D/KAN AMDAL/2008 dated on 11 May 2008 jo No.660/62.A/KAN-AMDAL/2009 dated on 14 May 2009) and
- Sarang Giting estates (No.661/21/KAN/AMDAL/2009).

During 1st surveillance audit that Sei Putih estate has shown revision of environmental management and monitoring effort document but environmental document can not showed by estate so that scope of assessment can not understand. It was raised as non-conformity (**NCR no. RSPO01223**). Whereas, based on other document that Sei Putih estate has get approval from local government (no. 660/65-2/KAN-AMDAL/2009 dated on 28 May 2009),

Their revised versions of Environmental Management/Monitoring Plan (RPL/RKL) prepared by the Research Institute of North Sumatera University (USU) have been approved by the Environmental Department Head. The original AMDAL documents of both estates are Environmental Evaluation Assessment (EEA) and original RPL/RKL documents prepared in 2008. The RPL/RKL documents have been revised in 2009 for all estates due to changes in plantation operation, e.g. change in the estates' HGU concession resulted in changes in estate capacity and design.

All estates have prepared RPL/RKL implementation report once semi-annually to comply with legal requirements. For example :

- Sei Putih estate : estate has carried out test of surface water quality at Ular river (up & down in Ular river areas) for 1st and 2nd semester – year 2016 period. Surface water quality that there is no critical parameter by generally. Moreover, 2nd semester year 2016, estate has carried out study of attitude and identification of citizen/communities perception in study location, suggestion and expectation citizen/communities in study location, worries of

Compliance status :
 Yes
 No

NCR No :
RSPO01213 (major),
RSPO01223 (major)

communities, peace/security and order in communities, job and business opportunities and top ten of general disease based on health data in polyclinic of estate, handling of hazardous and toxic waste, etc.

- Tanah Raja estate : 2nd semester year 2016, estate has carried out planting, air quality testing, test of noise and sound levels, test of emission quality, test of surface water quality, study of attitude and identification of citizen/communities perception in study location, suggestion and expectation citizen/communities in study location, worries of communities, peace/security and order in communities, job and business opportunities and top ten of general disease based on health data in polyclinic of estate, social responsibility, handling of hazardous and toxic waste, etc.
- Gunung Monaco estate : planting, air quality testing, test of noise and sound levels, test of emission quality, test of surface water quality, local economic, study of attitude and identification of citizen/communities perception in study location, suggestion and expectation citizen/communities in study location, worries of communities, peace/security and order in communities, job and business opportunities and top ten of general disease based on health data in polyclinic of estate, handling of hazardous and toxic waste, etc.
- Rambutan mill : test of palm oil mill effluent quality which was dispatched to land application, air quality testing, test of noise and sound levels, test of emission quality, etc.

Last audit that Sei Putih estate found non-compliance between implementation management plan with environmental management matrix document, were the type of plan was planted not met with plant recommendation in environmental management document matrix. Correction action plan was proposed by company in last audit is plant department to ensure the seedling procurement should refer to environmental management plan recommendation. During 1st surveillance audit that Sei Putih estate can not showing evidence of implementation it so that it was raised as non-conformity as escalation of NCR status (**NCR no. RSPO01213**).

Criterion 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.

Findings:

Mill and estate has carried out the HCV identification assessment in all estate. Example in Tanah Raja estate, HCV identification assessment assessed by Biodiversity and Biotechnology Research Centre of Bogor Agricultural University in 2013. From the HCV assessment identification, found the 30.39 Ha HCV area, consist of riparian bufferzone of Buluh river and Canal, slope area, and cultural site grave, with HCV type was 1.3, 1.4, 4.1, 4.2 and 6.

While in Gunung Manoco estate the HCV area was about 189.11 Ha consist of riparian bufferzone of Bah Bolon river, Bah Bulian river, Bah Sumbu river, water springs, cultural site grave and slope area. The HCV type on this estate categorized as HCV 1.1, 1.3, 1.4, 2.3, 4.1 and 6. This HCV identification assessment carried out in year 2011.

Then in Sarang Giting estate the HCV assessment identification carried out in 2011, with HCV identification area was about 36.36 Ha, consist of riparian bufferzone of Belutu river, Ular river and slope area >40%.

Based on HCV identification assessment in Tanah Raja estate, there is no found any RTE species, while species available in Tanah Raja estate was Pronailurus bengalensis, Elanus caeruleus, Spizaetus cirrhatus, Naja sumatrana. This species categorized protection by National regulation number 7/1999, CITES APP liand IUCN LR and LC.

In Gunung Monaco estate found RTE species based on HCV identification assessment, i.e.: Lutra sumatrana, and Manis javanica. This species categorized as IUCN EN and CITES APP II. Also found Trerron capellei and Macaca nemestrina categorizes as IUCN VU and CITES APP II.

Next in Sarang Giting estate, based on HCV identification assessment, there is no found RTE species. While species has been identified in this estate was Pronailurus bengalensis, Spizateus cirrhatus, Varanus salvator and Naja sumtrana. Those species categorized protected

Compliance status :
 Yes
 No

NCR No :
 -

by National regulation number 7/1999, CITES APP II and IUCN LR and IUCN LC.

Especially in Gunung Monaco estate, this estate has carried out the RTE species monitoring and there is found record for maintain and enhance the RTE species.

Tanah Raja and Sarang Giting estate has record of programme to regularly to educate the all workers level for protect the RTE species, through the brief/socialization carried out. This brief explained about protection of RTE species and non RTE species about prohibition of hunting, shooting, catching, poisoning all of species in all estate, also prohibition about illegal logging in HCV area. This agreement signed together between company with community and local government. Also in Sarang Giting estate, found memo intern to the Asst division I until V dated on March 7, 2015 number Int/43A/2015 about prohibited species to collect, hunting, catching and others activity will damage and disruption the species.

The Tanah Raja estate has carried out the HCV brief/socialization from level workers (manager, manager asst, clerk, foreman and others). Then in Gunung Monaco estate also has carried out the HCV brief/socialization in all division attended by all level workers from manager level, until harvester, sprayers and others.

Then, in Rambutan palm oil mill and Sungai Putih estate there is found any evidenced related RTE species protection from activity of hunting, catching, collect and others will damage/disturb the RTE species.

Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner

Findings:

All waste products and sources of pollution have been identified and documented in a list as stated in the procedure for handling waste (PK-3.16-14 rev.02 dated on 19 May 2016). Among sources of waste identified from estate, workshop, klinik, housing and office. This was found at all sites of audit consistently.

Estate and mill has seen evidence that all chemicals and their empty containers are disposed of responsibly as explanation below :

- Tanah Raja estate : manifest for disposal of hazardous chemicals was available i.e manifest dated on 08 May 2017 for Oil filter (B1094) amount of 0,003 ton, hazardous and toxic container (B104d), used oil (B105d) amount of 0,167 tons, used battery (A102d) amount of 0,124 ton, electronic waste (B107d) amount of 0,01 ton and was transported by lorry no BK8591CB. Moreover, instruction for disposal of hazardous was approved by head of technical dated on 17 April 2017 where hazardous and toxic waste will be transported by or dissposed to PT Veronica Tannaga.
- Gunung Monaco estate : hand over letter regarding collecting and transporting of hazardous and toxic waste dated on 18 May 2017 was approved by estate manager. List of hazardous and toxic waste are used oil amount of 0.184 litre, used battery amount of 0.02 ton, used oil filter/fuel filter amount of 0.014 ton, gunny or used fertilizer bag amount of 1.76 ton, inner plastic amoun of 35 pcs and agrochemical container amount of 13 pcs. It was dissposed by PT Veronica Tannaga. Manifest were filled-up dated on 20 May 2017 by Manager and used lorry no.BK8591CB for collecting the hazardous & toxic waste.
- Rambutan POM : in the store keeping hazardous & toxic waste found having proper labelling and sinage. Whereas, a letter to handover hazardous & toxic waste was approved by head of technical dated on 17 April 2017. Hazardous and toxic waste has dissposed are used bateray : 0.130 ton, used oil : 0.109 ton, used ink/ribbon printer : 0.002 ton, used bulb : 0.0025 ton, used bags : 0.353 ton, empty container : 0.09 ton. It was dissposed by PT Veronica Tannaga and relevant manifest were available too as sampled.

Estates and mill have some procedures relate of handling waste example procedure for handling and benefiting solid waste (PK-3.16-14 rev.02 dated on 19 May 2016) and procedure of disposal of inorganic waste through 3rd party. Whereas, waste management plan to avoid or reduce pollution was documented. Whereas, implementation of waste management plan such as no fire has been used to disspose waste and domestic waste has buried at the back of individual house at emplasment in division of V and Tanah Raja estate areas, segregate into organic and inorganic hole was available and awareness programme was made for all workers and housewives in division of II-Gunung Monaco estate & division of V-Sarang Ginting and housewife was understood on the segregation requirements but implementation in field still be inconsistency as example domestic waste not managed refer to company's pro-

Compliance status :

- Yes
 No

NCR No :
 RSPO01
 214 (Mi-
 nor)

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



cedure at some locations in emplasment near division of III office-Gunung Monaco estate, Tagur Baru emplasment at division of III-Sei Putih estate and Liberia emplasment at division of V-Tanah Raja estate. It was raised as non-conformity (NCR no.RSPO01214).

Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.

Findings:

The company maintain record of fossil fuel usage every month for car and genset operation presented in report of diesel usage monthly. For mill, Record of diesel usage in 2017 such as : January = 2,317 litres, February = 2,196 litres, March = 2,656 litres, April = 716 litres, While for estate, record of diesel usage such as :

1. Tanah Raja Estate
January = 2,317 litres, February = 2,505 litres, March =1,353 litres, April = 1,380 litres.
2. Silau Dunia Estate
January = 2,610 litres, February = 3,160 litres, March =2,915 litres, April = 885 litres.
3. Sei Putih Estate
January = 559 litres, February = 517 litres, March =525 litres, April = 742 litres

Rambutan Mill maintain record of fiber and shell usage for boiler fuel monthly. Record of fiber and shell usage in 2017 such as po0pfiber = 10,210,006 kg; shell = 6,810,202 kg. While Shell used per tonne CPO was 0.56 tonne CPO produced and fiber used per tonne CPO was 0.37 tonne CPO produced.

The company does not conduct for studies on the feasibility of collecting and using biogas.

Compliance status :
 Yes
 No

NCR No :
-

Criterion 5.5: Use of fire for preparing land or replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

Findings:

Tanah Raja estates has done prepare of replanting but the result of field visit that they are not conduct open burning for land clearing or land preparation. This is in accordance to the Zero Burn Method under procedure of land clearing.

Compliance status :
 Yes
 No

NCR No :
-

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Findings :

Rambutan Palm Oil Mill and Estate has identified the pollution, emissions and greenhouse gases source from all activity through the document of environmental impact assessment for 2016, were source in palm oil mill consist of emission from boiler, engine room, waste water pond, fossil fuel from activity FFB transportation and product transportation, the source in estate came from fuel fossil used from spraying, fertilizing, FFB transport. From all identification source above, mill and estate has identified the significant pollutants then made plans to reduce and mitigate the pollution, emissions and greenhouse gases, through the:

- Tools maintenance
- Emissions measurement, ambient measurement
- Waste water measurement
- Record of fossil fuel used
- Record of chemical and fertilizer used
- Enrichment in riparian bufferzone
- Composting record used
- Program evaluation

All estates and milles has record of management plan implementation to reduce and mitigate, such as records of fertilizer used in once year 2016, record of chemical used, fossil fuel used, waste treatment for land application used, and others. Then, Rambutan palm oil mill and all estates has calculated the greenhouse gases with using RSPO GHG Calculator version 3.01 and all informations or all datas has accurated accordance real condition. Net GHG produc-

Compliance status :
 Yes
 No

NCR No :
-

tion emission of the estates and mill is 1.58 tCO₂e/t/CPO.
 The company has established plans to reduce or minimise the GHG emission and pollution as documented. The implementation of mitigation plan can be seen on record of GHG mitigation plan.
 There is a monitoring system has been developed, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools and record of monitoring plan can be seen on Monitoring plan year 2017.

Criterion 6.1: Aspects of plantation and mill management that have social impacts, including re-planting, 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 continual improvement.

Findings:

Social Impact Assessment (SIA) for all estates and palm oil mill under this audit were all conducted in 2012 in collaboration with the University of North Sumatera. Based on review of all the SIA reports, the SIA covered issues such as access and user rights, economic livelihoods, subsistence activities, cultural, health, education, and impacts of migrant labour force. The process of conducting the SIA, the methods used and the findings were all recorded in the respective SIA reports. Methods used include Participatory Rural Appraisal, SWOT analysis with surrounding villagers, and focus group discussions, which allowed the stakeholders to express their views directly. There is also evidence in the form of meeting attendance sheets, that all the SIAs were conducted with the participation of affected parties such as employees, local communities (village heads, teachers, religious figures), youth leaders, contractors and suppliers.

The Estate's social impact action plans were updated annually based on either written or verbal inputs received from stakeholders. These Action Plan documents were available and sighted. However at the Rambutan Palm Oil Mill, no action plan was prepared subsequent to the meeting with stakeholders on 20 November 2016 namely Head of Sei Priuk village, Head of Sei Serimah village, and Head of Sei Belutu village. Therefore, a Non-Compliance under Indicator 6.1.3 was raised (**NCR no. RSPO01215**).

Additionally, the Action Plan for Rambutan Palm Oil Mill was last prepared on 24 April 2013, and has not been updated since then. Therefore, a Non-Compliance under Indicator 6.1.4 was raised (**NCR no. RSPO01216**).

There is no smallholder scheme at Tanah Raja Estate, Silau Dunia Estate and Sarang Ginting Estate. Equally, there is no fresh fruit bunches received from third party suppliers by Rambutan Palm Oil Mill.

Compliance status :
 Yes
 No

NCR No :
RSPO01215 (major)
&
RSPO01216 (minor)

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Findings:

For communication procedure, Tanah Raja Estate, Silau Dunia Estate, Sarang Giting Estate and Rambutan Palm Oil Mill refer to Procedure Document No: PK-3.08-03 Revision No 04, Date of Revision 3 April 2017. This Procedure are shared with the stakeholders by putting up signboards at main entrance to offices. However, the Procedure was developed internally by PTPN III, and not developed in collaboration with the stakeholders, as per the Guidance in the RSPO P & C. Therefore, an Observation for Improvement was raised.

All communication and consultation procedures are documented in Stakeholder Communication Books containing details such as date, brief description of the communication and when replies were sent. Samples of the communication documents were sighted and verified during the audit.

Officials responsible for consultation and communications with stakeholders and local communities have been appointed in writing for all estates, and they are:

1. Asisten Personalia Kebun
2. Krani 1 Personalia
3. Krani Admi Keamanan.

However Rambutan Palm Oil Mill has not specifically identified anyone to be responsible for consultation and communication with stakeholders and local communities. Following the mer-

Compliance status :
 Yes
 No

NCR No :
 -

ger between Rambutan Estate and Rambutan Palm Oil Mill, the official responsible was appointed by Rambutan Estate, and his terms of reference does not include responsibilities for Rambutan Palm Oil Mill. This was raised as an Observation.

All Estates and Palm Oil Mill under the audit have their respective list of stakeholders comprising local authorities, neighbouring estates, local communities and villages, contractors, media, Trade Union, etc. Records of communication with stakeholders are available and sighted, and it contained confirmation of receipt of the communications and responses. For example:

- a. A letter received from “football club of Tunas Muda” (Persatuan Sepakbola Tunas Muda) in Silau Dunia village dated 3 April 2017 requesting for funds for a football tournament. Silau Dunia Estate replied to the letter on 18 May 2017 agreeing to give IDR 200,000.
- b. A letter received from Sei Rempah Sub District, Serdang Bedagai District in March 2017 submitted a proposal requested for funds for a Quran reading event. Company replied on 22 March 2017 agreeing to contribute IDR 250,000.

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Findings:

All the estates and palm oil mill under this audit have a procedure for dealing with complaints and grievances, namely, Document No: PK-3 1/8-12 No Rev 02, Revised on 3 April 2017. This procedure is applicable for all grievances between the company and external stakeholders. The procedure also specifies that where a resolution is not found mutually, there is a process for complaints to be brought to the RSPO Complaints System.

At Tanah Raja estate, the socialization process of this mechanism was carried out with 9 village heads (KADES), and 39 local communities. At the Rambutan Palm Oil Mill, socialization of conflict resolution process was carried out on 21 April 2012 with local communities from Rambutan Sub District, Head of police at Rambutan Sub District, Head of communities (Tokoh Masyarakat) Kp Keling, Head of Tj Marulak Hilir village. At Silau Dunia estate, the mechanism is communicated by putting up signboards of the process flow of conflict resolution at the estate office premises (gathering area), and briefed to workers during morning muster.

There is also the Guidelines to Whistleblowing document to which all the estates and palm oil mill are subjected to, which ensures the anonymity of whistleblowers.

In accordance with the SOP, the person responsible to receive complaints and grievances is the Assistant Human Resources who would investigate and report the finding to the Estate or Mill Manager. Where a resolution is not found mutually, is there a process for complaints to be brought to the Courts, and throughout the process, will accommodate the RSPO P & C.

There is not record of dispute resolution at Tanah Raja Estate & Palm Oil Mill because there is not dispute. For Silau Dunia Estate and Sarang Giting Estate, the records of dispute resolution process is available, documented and verified.

Compliance status :
 Yes
 No

NCR No :
-

Criterion 6.4: 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.

Findings:

There is a procedure for identifying legal, customary or user rights, and it is contained in Document No: PK-3 1/8-12 No Rev 02 Date of Revision 3 April 2017, and is accompanied by a process flow. At Tanah Raja Estate, this process was socialized with the local community (however the socialization document does not contain any date) and by the Palm Oil Mill on 24 April 2012.

However, for all Estates and Palm Oil Mill under this audit, the procedure for calculating and distributing fair compensation is available, but it was not established, implemented, monitored and evaluated in a participatory way, and is implemented at the head office of PTPN III in Medan. Therefore, a Minor NCR was raised (**NCR no.RSPO01217**).

Compliance status :
 Yes
 No

NCR No :
RSPO01217 (Major)

Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Findings:

Documentation of pay in the form of salary slips are available at all the Estates and Mill under this audit. Documentation on working conditions are also available in the form of Collective Labour Agreement (2016 – 2017) (CLA) which that governs the relationship between the company and employees, and it also contains provisions pertaining to working hours, rest days, annual leave entitlement, overtime, maternity leave, salary, benefits, etc. The CLA is printed and distributed to all direct employees and written in Bahasa Indonesia. There is also evidence that socialization of the CLA was carried out and explained by the Management and Labour Union to the workers. For example, at Silau Dunia Estate, socialization of the CLA was given on 19, 21, 23, 25 April 2016 and the CLA booklets distributed. Maintenance activities (chemist & manual) has carried out by third party or sub-contractor and agreement was available example in Gunung Monaco and Sei Putih estate but the estate or company has not been shown evidence that third party/sub-contractor has complied with several work requirement appropriate man power regulation and clause on agreement relate of PPE (providing & using), covered by accident insurance and medical care and wage to worker. It was raised as non-conformity (**NCR no. RSPO01218**).

A Decree issued by the Governor of North Sumatera Province has fixed minimum wage for 2017 to be at IDR 1,961,354 per month. Based on the salary slips and verified by interviews with workers, there is evidence that all the Estates and Mill under the audit comply with the said decree. However, workers at the Estates employed by the third-party contractors are found to have been paid below the minimum wage, and not insured. An Observation was raised under Criteria 6.5.1 for the failure of the Estates to ensure compliance of its contractual relationship with the sub-contractors on payment of minimum wages, provision of personal protective equipment and payment of insurances.

All Estates and Mill provide adequate housing, water and electricity for emplasment sample (afd V at Tanah Raja estate, afd 3 at Gunung Monaco estate, Sei Putih estate, Silau Dunia estate) exclude Liberia emplasment that the company has not adequate housing for Mr Poniran & Mrs Sania (harvesting rubber - afd 1), Mr Hendi Gunawan-Mrs Isna (harvesting oil palm – afd 5) and Mr Ahmad Husain – Mrs Lisnawati (harvesting rubber – afd 1) and Mr Poniran – Mrs Sania and Mr Hendi Gunawan – Mrs Isna’s toilet condition not adequate where it is separate with their house. It was raised as non-conformity (**NCR no. RSPO01219**). At Tanah Raja Estate, there is no government supplied water, but the workers obtain their water supply using bore wells. Other amenities available at the housing complex include kindergartens, mosques, clinic, football field, volleyball court. Other welfare services provided for the workers include festive season allowances (duit raya), money for school/college going children, rice allowance (substituted with cash), etc all of which are stipulated in the CLA. Whereas, clinic was available each division and hospital under PTPN 3 was available. Some estates have kindergarden in division but elementary school, junior high school and senior high school not available at Tanah Raja estate, Sei Putih estate, Silau Dunia estate, Gunung Monaco estate, Sarang Giting estate and Rambutan POM because public school under government was available and near from estate and mill emplasment.

Due to the proximity of the Estates and Mill to the towns (less than 5km away), workers have direct access to adequate, sufficient and affordable food. There are also a lot of small food kiosks operating nearby. Additionally, workers are also given rice allowances (substituted with cash up to the market value).

Compliance status :

Yes
 No

NCR No :
RSPO01218 (Major),
RSPO01219 (Minor)

Criterion 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.

Findings:

Article 5 of the Collective Labour Agreement which is written in Bahasa Indonesia, between PTPN III and Workers' Union (Serikat Pekerja Perkebunan - SPBUN) PTPN specifically recognises SPBUN as a legitimate organisation within the company, of which the workers are members of. A collective agreement was negotiated and the outcome is respected, imple-

Compliance status :

Yes
 No

<p>mented and adopted by the company and incorporated in the Collective Labour Agreement 2016 – 2017.</p> <p>Records of meetings between held between the management and SPBUN are available. For example, at Silau Dunia Estate, a meeting was held on 19 April 2017 which was attended by 5 representatives from management and 5 representatives from SPBUN to discuss the dismissal of an employee with disciplinary problems. Similar meetings between the management and SPBUN representatives were also held at Sarang Giting on 16 July 2016 and at the Rambutan Palm Oil Mill on 5 December 2016 and 30 May 2017. All these meetings were recorded and minutes of the meetings were sighted during the audit.</p> <p>Socialization of the terms contained in the Collective Labour Agreement was held at Silau Dunia Estate on 19 April 2016, attended by more than 230 pax</p>	<p>NCR No : -</p>
<p>Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.</p>	
<p>Findings:</p> <p>Work Procedure No PK-3.17-01 Revision No 2 Revised on 29 September 2016 specifies that employment of workers must be subject to a minimum age limit of 18 years. Additionally the Collective Labour Agreement also contains a clause that specifies minimum age as 18 years. Based on the list of workers sighted at all estates and mill, all workers are above 18 years of age. Observation in the field also confirms this.</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>
<p>Criterion 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.</p>	
<p>Findings:</p> <p>Paragraph 7 of the Company's Sustainable Oil Palm Policy dated 23 May 2016 specifies the company's policy of fairness and non-discriminatory practices. This Policy is available in Bahasa Indonesia and is exhibited at all the offices of the estate and mill under this audit. Interviews conducted with local community and workers (including female workers) also confirm that no form of discrimination exists or practiced at all the estates and mill subject to this audit. Based on interview with workers and management, as well as records sighted, there is no discrimination in the employment process. Job vacancies are announced in the website, the selection of suitable candidates are made based on interview, suitability, qualifications, technical skills and health conditions</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>
<p>Criterion 6.9 : There is no harassment or abuse in the work place, and reproductive rights are protected</p>	
<p>Findings:</p> <p>Paragraph 7 of the Company's Sustainable Oil Palm Policy dated 23 May 2016 specifies the company's policy to prevent sexual harassment and protecting reproductive rights of all workers. This Policy is available in Bahasa Indonesia and is exhibited at all the offices of the estate and mill under this audit. Further socialisation of this Policy was also carried with the workers during morning musters. This was confirmed by the workers during interviews held. Records of such socialisation was also available. For example, at Sarang Giting Estate it was held on 4 February 2017.</p> <p>Article 26(1) of the Collective Labour Agreement also states that female employees are entitled to maternity leave of 1 ½ months prior to childbirth and 1 ½ months after childbirth. Further, Article 26(4) states that the Company shall allow female workers sufficient opportunity to breastfeed their babies.</p> <p>Article 27 provides for menstrual leave for female workers where they are entitled to leave during the first 2 days of menstruation. Interviews with female workers at all estates and palm oil mill subject to this audit confirm the same.</p> <p>Gender Committees are also set up for all estates and mills under this audit. Letters that formed the Gender Committees (GC) were also sighted. For example, at Tanah Raja Estate, the GC was set up on 22 May 2015, the Rambutan Palm Oil Mill, on 15 July 2015, and Silau Dunia Estate on 2 March 2017. Among the activities of the GC, include activities carried out</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>

with the Officers' Wives Association (IKBI), and they include awareness activities on sexual harassment, domestic violence, women's health and reproductive rights.

There is also a specific grievance mechanism for complaints against sexual harassment, which specifies that the complaints can either go through the GC who would refer to the Human Resource Personnel (APK), or the complainant can also directly complaint to the APK. Should the APK finds a case to answer, the complainant has 2 choices, either to proceed with litigation, or to settle the matter in a non-litigation manner. This process is communicated to the women workers during activities carried out by the GC and IKBI. Although these socialisation is not recorded, the female workers confirm during interviews that this has been carried out, and are aware of the complaint channel and process

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

Findings:

None of the estates and mill under this audit deal with smallholders. However, they do deal with local businesses, for example enterprises that supply manpower to the estates. Based on review of contracts entered into with these manpower suppliers, and interviews conducted, there is evidence that the enterprises understand the terms of the agreement, that the estates and mill deal fairly and transparently with these enterprises, and payments are also made in time

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

Findings:

Based on documentation review, and interviews conducted with local communities, there is evidence that the Estates and Mill under this audit contribute to the development of the local development based on the results of consultation with local communities. For example allowing poor old people in the village to stay in the estate houses for free and providing basic medical care, donations to mosques, some chairs for school, repair and construction of dilapidated village houses (bedah rumah). For example, Pak Wagiman's house near Sarang Giting Estate business partnership arrangements where the estate provides soft loans to local communities to enable them to start a business. Additionally, several requests for assistance received from the external stakeholders are responded to positively. For example:

- a. A letter received from Persatuan Sepakbola Tunas Muda Desa Silau Dunia dated 3 April 2017 requesting for funds for a football tournament. Silau Dunia Estate replied to the letter on 18 May 2017 agreeing to give 200,000 rupiah.
- b. A letter received from Kecamatan Sei Rempah, Kabupaten Serdang Bedagai in March 2017 submitted a proposal requested for funds for a Quran reading event. Company replied on 22 March 2017 agreeing to contribute 250,000 rupiah

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.12: No forms of forced or trafficked labour are used.

Findings:

Paragraph 8 of the Company's Sustainable Oil Palm Policy dated 23 May 2016 specifies the company's policy prohibiting any form of forced labour and human trafficking.

Based on interview with workers, there is no evidence of the existence of any forced, bonded, trafficked labour or contract substitution at any of the Estates and Mill under this audit.

No migrant workers are employed at any of the estates and mill under audit

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.13: Growers and millers respect human rights.

Findings:

Although there is no specific policy on human rights, Paragraph 7 of the Company's Sustainable Oil Palm Policy dated 23 May 2016 specifies the company's policy of respecting workers' rights and dignity, to be treated with fairness and free from any discrimination. All these, col-

Compliance status :

Yes

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



<p>lectively show that there is a respect for human rights. This Policy is exhibited at all offices visited. Whereas, Sei Putih estate has done socialization of Company's Sustainable Oil Palm Policy but content of presentation not include items of law regarding human right. It was raised as non-conformity (NCR no. RSPO01220).</p>	<p align="right"><input checked="" type="checkbox"/> No</p> <p align="right">NCR No : RSPO01220 (Major)</p>
<p>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>	
<p>Findings: PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p align="right">Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A</p> <p align="right">NCR No :</p>
<p>Criterion 7.2: 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.</p>	
<p>Findings: PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p align="right">Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A</p> <p align="right">NCR No :</p>
<p>Criterion 7.3: New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>	
<p>Findings: Based on table above that there are year of planting > November 2005 in Tanah Raja estate, Gunung Monaco estate, Sarang Ginting estate and Silau Dunia estate. It is replanting areas and or conversion of plant type areas. The estates can not seen email from RSPO secretariat regarding zero liability and or satelite image and LUCA so that there has not been evidenced that it is no replaced any area required to maintain or enhance one or more HCV. It was raised as non-conformity (NCR no. RSPO01221). Whereas, Year of planting > November 2005 areas has covered on HCV assessment by third party year 2013 & 2011.</p>	<p align="right">Compliance status : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p align="right">NCR No : RSPO01221</p>
<p>Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	
<p>Findings: PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p align="right">Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A</p> <p align="right">NCR No :</p>

Criterion 7.5: 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.

Findings:

PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.

Compliance status :

Yes

No

N.A

NCR No :

Criterion 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreement

Findings:

PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.

Compliance status :

Yes

No

N.A

NCR No :

Criterion 7.7: 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.

Findings:

PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.

Compliance status :

Yes

No

N.A

NCR No :

Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.

Findings:

PT Perkebunan Nusantara III – Rambutan POM and their supply base has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.

Compliance status :

Yes

No

N.A

NCR No :

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Findings:

The Company has an internal audit for the evaluation and improvement of the best practice activities in the field.

Compliance status :

Action plans for continual improvement are implements and on-going as found below and described further in the respective criterion :

- Reduction in use of pesticides in form using biological agent and there is trend of decrease for using pesticide year 2014 to 2016.
- Environmental impacts : some testing by regularly relate of environmental performance
- Waste reduction (Criterion 5.3):
- Pollution and greenhouse gas (GHG):
- Social impacts (Criterion 6.1):
- Encourage optimising the yield of the supply base:

Yes
 No

NCR No :
-

2. RSPO SCCS

The following is a summary of findings made for the criteria listed in the RSPO Supply Chain Certification year 2014 with selected supply chain model **Mass Balance**.

E.1 Definition	
<p>Findings:</p> <p>Rambutan Mill is one of mills owned by PTPN III, located in Tebing Tinggi Sub District, Deli Serdang District, North Sumatera. PTPN III is already an RSPO member (Reg. No. 1-0030-06-000-00). Rambutan Mill was implemented RSPO SCCS MB for their supply chain model. This model allowed the Rambutan mill mixed the certified and uncertified raw material and product, but should be controlled by mass balance report to ensure the amount of certified and uncertified will allowed claimed as a certified.</p> <p>During the 1st surveillance audit, Rambutan Mill has verify the volume certified and uncertified FFB an entering the mill. In year 2016 & 2017, based on table 2 above that there are five (5) estates was delivered FFB certified into mill, i.e.: Tanah Raja estate, Sei Putih estate, Sarang Ginting estate, Silau Dunia estate and Gunung Monaco estate.</p> <p>Based on mass balance record 2016 and table 2 above, total of certified FFB received by the mill was 116,731.92 mt (63.95%) and uncertified FFB was 65,816.73 mt (36.05%). Whereas, total production of certified CPO (based on table 3 above) was 26,725.93 mt and certified PK was 5,849.14 mt. For uncertified CPO production was 15,068.83 mt and PK was 3,297.91 mt.</p>	<p>Compliance status :</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>
E.2 Explanation	
<p>Findings:</p> <p>Estimated of tonnage CPO and PK products (included certified product) next year or new lisenase has been recorded in to the public summary of the P&C certification report with values as follows :</p> <ul style="list-style-type: none"> • Total of FFB : 203,560.60 mt • Total of CPO : 48,982.34 mt (OER : 24.06%) • Total of PK : 9,812.66 mt (KER : 4.82%) • Certified FFB : 121,909.00 mt • Certified CPO : 29,342.32 mt (OER : 24.09%) • Certified PK : 5,973.37 mt (KER : 4.89%) <p>Rambutan Palm Oil Mill registered in RSPO IT Platform (Palm Trace) with the RSPO e-Trace member ID RSPO_ P1000004342. During 1st surveillance audit that Rambutan POM has sold certified product via Palm Trace is 3,850.00 mt (CPO) and 1,355.57 mt (PK).</p> <p>During the 1st surveillance audit, certified product sold's transaction via green palm (book & claim) was not available.</p>	<p>Compliance status :</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>
E.3 Documented Procedures	

Findings:

During 1st surveillance audit that there is revised mill procedures and work instructions especially for RSPO SCCS MB implementation, such as :

- Work procedure No. PK-3.15-03 rev.00 on Sale of production plan.
- Work procedure No. PK-3.15-04 rev.00 on authority of product sale.
- Work procedure No. PK-3.11-11 rev.02 on supply chain mechanism.
- Work Instruction No. IK-3.03-12/01 on FFB Purchase and Processing from External Parties; February 2012
- Work Instruction No. IK-3.03-01/16 on FFB Reception at Mill (3rd revision) dated 6 May 2011;
- Work Instruction No. IK-3.03-01/19 on Palm Oil Process (3rd revision) dated 6 May 2011; **revised into** Work Instruction number IK-3.03-03/08 Rev 00 about FFB processing, this procedure has mentioned the certified and uncertified FFB process. Especially for certified FFB process started from receiving process through the form FFB delivery slip PB-25 should be stamp with RSPO Certified in delivery slip, then should be separate with uncertified delivery slip, and FFB certified should be deliver to certified mill and uncertified FFB should be deliver to uncertified mill to prevent the uncontrol mixing if any.
- Work Instruction No. IK-3.03-01/20 on Control of Palm Oil Quality and Process (2nd revision) dated 15 February 2010;
- Work Instruction No. IK-3.03-01/22 on CPO and PK Analyst dated 15 February 2010;
- Work Instruction No. IK-3.03-01/24 on Palm Oil Product Storage (3rd revision) dated 6 May 2011);
- Work Instruction No. IK-3.03-07/02 on Sales of Certified Palm Oil to Belawan Installation, PT Sarana Agro Nusantara, PT IKN and other parties;
- Work procedure No. PK-3.15-05 rev.02 (revision dated : 18 January 2017) on Sale of palm oil product.
- Work Instruction No. IK-3.01-18/01 on Planning and Controlling of Production Process and Replanting;
- Work Instruction No. IK-3.03-04/01 on FFB Grading (6th revision) dated 6 May 2011; **revised into** Work Instruction number IK-3.03-03/11 Rev 00, this work instruction has sett the mechanism for handling certified and certified FFB, in page 3, sub number 5.2.2, mentioned FFB certified after grading separate placed with uncertified FFB.
- Work Instruction on Weighbridge; and
- Work Instruction No. IK-3.03-15/01 on Supply Chain Certification System (rev.01) dated February 2012.

Following are forms to record SCCS system implementation :

- FM-3.03-01/16-01 (FFB Receipt/PB-28);
- FM-3.03-01/16-02 (Weighbridge Recapitulation);
- FM-3.03-04/01-01 (Weekly Report for FFB Grading);
- FM-3.03-04/01-02 (Monthly Report for Grading Report);
- FM-3.03-04/01-03 (Weekly Report for Receipt of FFB Pending Yesterday's Process);
- FM-3.03-04/01-04 (Monthly Report for Receipt of FFB Pending Yesterday's Process);
- FM-3.03-05/01-03 (Check Sheet of Monitoring during Processing);
- FM-3.03-05/01-01 (Check Sheet of FFB Quality and Grading in Mill);
- FM-3.03-05/01-02 (Check Sheet of before starting operational in Mill);
- FM-3.03-05/01-06 (Daily Production Report);
- FM-3.03-05/01-04 (E-mail/Facsimile for Daily Production Report);
- FM-3.03-05/01-07 (Result of the CPO Quality Analyst, and Oil losses
- FM-3.03-05/01-08 Result of the PK Quality Analyst, and Kernel Losses
- FM-3.03-05/01-10 (Calculation of Oil Storage Tank Volume); and
- FM-3.03-07/02-01 (FFB Receipt Slip)

Rambutan Mill has appointed a person in charge will responsible for RSPO SCCS MB implementation, i.e.: mill manager, asst mill manager, asst process, technique asst, human resource asst (based on Rambutan mill manager decree no.PRBTN/SKPTS/05/2015). Some person in charges has get the RSPO SCCS training on March 15, 2014 where at-

Compliance status :

- Yes
 No

NCR No :

-

tendant list and photograph of training was available. Year 2017, the mill has carried out SCCS refresher or training dated on 2 June 2017 with 26 participants (management, PiC and workers). Evidences of training/socialization was available as example attendant list, material of presentation, intern (invitation letter) no. KRBTN/Int/207/2017 dated on 31 May 2017.

Mill also has procedure for receiving and processing certified and uncertified FFB with document number IK-3.03-12/01 Rev01 dated on 30/05/2014, procedure has mentioned and explanation about certified and uncertified FFB.

E.4 Purchasing and goods in

Findings:

Rambutan Mill has verify the certified and uncertified volume of raw material and product for 2015. Based on production and record and mass balance record that certified FFB receiving came from five (5) estates as supply based under Rambutan Mill and it has included on audit scope.

Based on procedure number number IK-3.03-12/01 Rev01 dated on 30/05/2014, mentioned, receiving certified and uncertified raw material basically same used delivery slip (PB-25), only stamp will different between certified and uncertified, when the certified raw material use RSPO stamp in delivery slip.

Rambutan Mill has mechanism to inform the CB if there is a projected overproduction of certified tonnage by procedure number PK-3.03-11 Rev01 dated on 01/07/2014, page 3 sub number 7.11 mentioned "if there is any overproduction certified tonnage projection.

Compliance status :

Yes

No

NCR No :

-

E.5 Record keeping

Findings :

Rambutan Mill have CPO mass balance report (certified & non-certified) with content of the receiving FFB, processing FFB, CPO production, CPO delivery and CPO stock period of year 2016 & 2017 but it is not three monthly basis. However, volume of CSPO dispatch from mill to PT SAN Belawan different with volume of CSPO receipt in PT SAN Belawan so that stock of CSPO in mill . It was raised as non-conformity (**NCR no. RSPO01222**).

Whereas, PK mass balance report (certified & non-certified) period of 2016 was not available and volume of CSPK dispatch to KCP of Sei Mangke on delivery record different with volume of CSPK sold on palm trance. It was raised as non-conformity (**NCR no. RSPO01222**).

During 1st surveillance, Rambutan Mill has delivered CPO certified to SAN (Sarana Agro Nusantara) under PT PN III management (PT PN III trading), and PK certified delivered to PKSMM (Kernel Crushing Plant Sei Mangkei) period of year 2016 & 2017.

Compliance status :

Yes

No

NCR No :

RSPO01222

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

6.2 Status of previously identified non-conformities

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
1.	2.1.1	2015-01 of 10 (major)	Found Silau Dunia estate noncompliance between approval and discussion implementation of EIA document, were EIA document was approved in 2008 and discussion implementation carried out in 2009.	30 July 2015	The company has showned the letter of EIA document approval where in the approval letter mentioned that the EIA document discussion implementation was carried out on April 21, 2009 and EIA Assessor Comission of Serdang Bedagai District accordance to the letter number 660/02/KP-AMDAL/2009 dated on April 24, 2009. This difference happen because typing eror while writing	Closed
2.	4.2.1	2015-02 of 10 (minor)	Found in Tanah Raja estate the fertilizing activity for immature palm oil not met with fertilizer recommendation while based on recommendation the immature palm oil should applicate Dolimite and NPK fetilizer, but realization only NPK applicated by estate	February 2016	Based on description of criterion 4.2 above that Tanah Raja estate has implemented fertilizer recommendation as examples : NPK and dolomite fertilizer was applied on immature areas.	Closed
3.	4.5.1	2015-03 of 10 (major)	Found in Tanah Raja Estate Ganoderma attacked about 23% or 470 Ha, but there is no any record found to handling the attack	30 July 2015	Tanah Raja estate has carried out the the hoarding and isolation all oil palm trees attacked by Ganoderma year 2015 in Tanah Raja estate as a metioned in work instruction. Evidence in form of the photograph of palm tree boarding. Based on sensus of IPM year 2017 that Ganordema attack in Tanah Raja estate not increase i.e 470 ha.	Closed
4.	5.1.2	2015-04 of 10 (minor)	Found in Silau Dunia and Sei Putih Estate some non-compliance between environmental management plan with implementation, where enrichment vegetation has been planted was different with environmental management plan recommendation.	February 2016	During 1 st surveillance audit that Sei Putih estate can not showing evidence of implementation about the seedling procurement and planting some trees accordance environmental management plan recommendation.	Open so that be escalation to major non-conformity (no.RSPO 01213)

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
5.	5.2.2	2015-05 of 10 (major)	Based on HCV assessment identification in Gunung Monaco estate found RTE species, but there is no found any record showed that estate maintain and enhance the RTE species.	30 July 2015	Gunung Monaco has showed the record of RTE species monitoring result year 2016 and 2017, some other evidences such as HCV signboard and signboard of prohibited the activity will disturbing the RTE species was maintained, protect of riparian or river buffer-zone, the result of habitat monitoring.	Closed
6.	5.2.3	2015-06 of 10 (minor)	There is no comprehensive activity related RTE species protection in Rambutan mill and Sei Putih estate through the appropriate disciplinary measures accordance to the company regulation and national regulation if found the workers capture, collect, kill, hunting and others the RTE species	February 2016	<p>The estate has shown the intern memo number KSPTH/Int/VII/95A/2015 dated on July 25, 2015 about announcement of RTE species protection for all level workers to prohibition of collect, hunting, kill, or catching the RTE species and if any, employee will penalty by company accordance to the company and national law and regulation. Moreover, the estate will inform to police and nature conservation agency near with estate. The estate has shown the record of fauna monitoring/inventory which maintained by employee in their emplasment. The result of monitoring that there is no employee maintain flora as RTE species.</p> <p>Rambutan POM has shown signboard of type of RTE species which protected, signboard of prohibited the activity will disturbing the RTE species and morning meeting record about sanction for employee not discipline. Mill has shown intern memo about announcement of RTE species protection for all level workers to prohibition of collect, hunting, kill, or catching the RTE species and if any, employee will penalty by company accordance to the company and national law and regulation and corporate with police and nature conservation agency.</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
7.	5.3.2	2015-07 of 10	It was found that assigned waste collector and transporter was not have an authorised for waste produced in Rambutan Mill, Tanah Raja, Gunung Monaco, Sarang Giting, Silau Dunia and Sei Putih Estate.	30 July 2015	<p>The company has shown some documents relate of PT Veronica Tannaga as collect and transport company for hazardous and toxic waste as follows :</p> <ul style="list-style-type: none"> • Ministry of environment and forestry decree no. SK.551/Menlhk-Setjen/2015 dated on 19 November 2015 regarding manage of hazardous and toxic waste permit in form of the collecting hazardous and toxic waste on behalf PT Veronica Tannaga. The permit/license is valid for 5 years. • Letter no. S.1052/VPLB3/PPLB3/PLB.3/12/2016 dated on 28 December 2016 from Ministry of Environment and Forestry to Ministry of Transportation regarding recommendation of transport for hazardous and toxic waste. • Director of General land transportation decree no.SK.230/AJ.309/DJPD/2016/120070337B B dated on 13 January 2016 regarding transport of special good permit/license for transporting hazardous & toxic good. • Agreement letter between PT Veronica Tannaga and PT Horas Miduk no. 151/SPK/HM-VT/V/2016 dated on 9 May 2016 regarding manage of hazardous & toxic waste. PT Horas Miduk have utilization permit/license from government (Ministry of Environment and Forestry decree no. SK.361/Menlhk/Setjen/PLB.3/5/2016 dated on 11 May 2016. • Agreement letter between PT Veronica Tannaga and PT Kita Mandiri Abadi no. 012/SK-KMA/III/2017 dated on 10 March 2017 regarding manage of hazardous & tox- 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
					<p>ic waste in form of drum (hazardous & toxic waste contaminated container).</p> <ul style="list-style-type: none"> • Agreement letter between PT Veronica Tannaga and PT Wastec International no. 023/WI/SPKLB3P/IV/2017 dated on 7 April 2017 regarding manage of hazardous & toxic waste. • Agreement letter between PT Veronica Tannaga and PT Non Ferindo Utama no. 60/PGA/NFU/I/2017 dated on 19 Januari 2017 regarding manage of hazardous & toxic waste relate of collecting and transporting used accu. 	
8.	5.3.2	2015-08 of 10 (major)	Found in Rambutan palm oil mill housing burned garbage activity	30 July 2015	<p>The company has issued the intern memo number PRBTN/Int/084/2015 dated on Februari 03/2015 about domestic waste handling for organic and anorganic domestic waste accordance to the Governement regulation number 81/2012 about domestic waste handling without burning activity, signboard of burned prohibition and the rubbish hole in back yard of worker housing was available.</p> <p>Field visit to rambutan mill's emplasment that handling of domestic waste has implemented.</p>	Closed
9.	5.6.3	2015-09 of 10 (minor)	Rambutan palm oil mill and all supplie based estate has calculated the GHG emission, but the GHG calculation still not complie with appropriate tools and reported to the RSPO	February 2016	<p>Duringf 1st surveillence audit that based on criterion 5.6 was explained regarding GHG emission included monitoring tools used.</p> <p>The company was used RSPO GHG calculator version 3.01.</p>	Closed
10.	6.13.1	2015-10 of 10 (major)	There is no evidence that human rights policy available in place and has been communicate to all level workers	30 July 2015	<p>The company has revised the company policy related commitment PT PN III and added the human rights respect in to company policy. This policy revised in September 2015.</p> <p>The company has been communicated to all</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
					level workers about it. Communication to all level workers in form of company policy was installment in office, morning meeting, code of conduct book, etc. Based on interview to employee that they has understood about policy it.	

There is no non-conformity were identified on main assessment against RSPO SCCS.

6.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

A total of 33 nonconformances were identified during the 1st surveillance assessment. These consisted of 22 major non-conformities and 11 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

6.3.1. Major non-conformities

It is recommended by the lead auditor to award the system of the company with a certificate pursuant to the above-mentioned RSPO standards after eliminating the non-conformities rated as “major”.

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
1.	RSPO certification system clause 4.2.4	RSPO01191	- The company has showed time bound but it is not update and not challenging & realistic so that the audit team is not satisfied - the result of internal audit year 2016 not covering verification of RSPO partial certification requirement	9 August 2017	The company has submitted revision of time bound plan. It has updated as example Sei Silau POM has got RSPO certified since 3 April 2017 and revision of time bound plan for certification in Batangtoru – Tapanuli Selatan be December 2018. Cause of revision is compensation plan has not been approved by PTPN III management. Time bound plan finally has stated on appendix 5.a & 5.b . The company has submitted self assessment / internal au-	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>dit for uncertified management unit (Sei Baruhur POM and their supply base, Sei Mangke POM and their supply base and Hapesong POM and their supply base) and their support documents. All estates from third POM above are Sei Baruhur estate & Sei Kebara estate (Sei Baruhur POM), Dusun Hulu estate, Bangun estate, Gunung Para estate, Gunung Pamela estate, Sei Dadap estate, & Rambutan estate (Sei Mangke POM) and Batang Toru estate and Hapesong estate (Hapesong POM). Some support document has submitted by company as follows :</p> <ul style="list-style-type: none"> • Areal statement per January 2017 for all estates • Executive summary and HCV area map each estate • Land use change analysis report for Sei Baruhur estate (July 2017) and Sei Kebara estate (July 2017). • proposal of compensation plan • Collective work agreement (PKB) period of 2016 to 2017 between PT Perkebunan Nusantara III (Persero) and plantation labour union in PT Perkebunan Nusantara III (Persero), letter from social and man power agency in district regading proof of registration for board of management bipartite cooperation institute each estate and regarding proof of registration for labour union at estate/plantation basis each estate. • Director decree letter of PT Perkebunan Nusantara III (Persero) no. 3.17/SKPTS/R/14/2017 dated on 24 January 2017 regarding determination of employee salaries/wages year 2017 and their appendix. The adjustment refers to the decision of the governor of North Sumatera no.188.44/623/KPTS/2016 dated on 28 October 2016 regarding determination of minimum wage in North Sumatera Province year 2017. Appendix of director decree letter are tabel of basic salary & permanent allowance year 2017 from category of IA to IVD, salary slip period of May 2017 on behalf harvesting employee in division of IV - Sei Baruhur estate with category of IA/2 and on behalf harvesting employee in division of VIII – Sei Kebara estate with category of IA/1. Based on salary slip it that salary (basic salary & 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>permanent allowance) has appropriate with director decree letter (same or above), whereas total of salary is above minimum of wage/salary.</p> <ul style="list-style-type: none"> • Work procedure of conflict resolution (PK-3.18-12 rev.01 dated revision on 19 September 2016) and work procedure of handling land dispute (PK-3.18-17 rev.00) • Some documents relate of compliance law & regulation as example : <ul style="list-style-type: none"> ○ environmental document (evaluation of environment document for Bangun estate, environment management and monitoring effort for Batang Toru estate, environmental monitoring and management document for Dusun Ulu estate, environmental impact assessment for Gunung Para estate & POM (include of review of environmental management & monitoring plan), environmental evaluation document for Gunung Pamela estate, environmental impact assessment for Hapesong estate & rubber mill, environmental impact assessment for Rambutan estate & POM, environmental impact assessment for Sei Dadap estate (include of review of environmental management & monitoring plan), environmental impact assessment for Sei Kabara estate and Sei Baruhur estate & POM (include of review of environmental management & monitoring plan), and environmental management & monitoring effort for Hapesong POM). ○ Plantation bussiness register letter (plantation bussiness permit/lisence) for Hapesong estate & rubber mill, Sei Baruhur estate & POM, Bangun estate & cacao mill, Batang Toru estate & cacao mill, Sei Mangke estate & POM, Gunung Para estate & rubber mill, Gunung Pamela estate & cacao mill, Rambutan estate & rubber mill, Sei Baruhur estate and Sei Dadap estate. Futhermore, recommendation of plantation bussiness permit/lisence revision (change of plantation type & increase of processing capacity) on behalf Sei Mangke estate & POM, 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>recommendation of plantation bussiness permit/lisence revision (change of plantation type & increase of processing capacity) on behalf Dusun Ulu estate & Sei Mangke POM, recommendation of plantation bussiness permit/lisence revision (change of plantation type).</p> <p>Explain of partial certification audit result has stated on appendix 5.c.</p>	
2.	RSPO certification system appendix 4 (A.4.2.3) & map requirement	RSPO0 1192	The company has showed map of Tanah Raja estate but it is not compliance with map requirement because geo-reference, map location, legend, resource of map and sign of drawer & management not available	9 August 2017	The company has submitted revision of Tanah Raja estate map where geo-reference, map location, legend, resource of map and sign of drawer & management was available. It has appropriated with requirement map. Revision of Tanah Raja estate map has put on figure 2.e above.	Closed
3.	1.3.1	RSPO0 1193	No evidence about dissemination of code of conduct (one of issues are corruption and bribery) has carried out to employee in division of III – Sei Putih estate	9 August 2017	<p>Sei Putih estate (Division of 3) has carried out dissemination of code of conduct (one of issues are corruption and bribery) to employees (include of supervisor) dated on 10 June 2017. Based on the minute/note of meeting document that corruption and bribery are included as disseminated topics to employees. Total of participant is 95 employees from all operation levels.</p> <p>Evidence of correction action has submitted such as intern no.KSPTH/Int/63A/2017 dated on 10 June 2017 regarding invitation letter for dissemination of code of conduct, minute of meeting, attendant list, material of presentation, photograph and compliance statement (every employees was signed and known by management of estate) where they have understood and promise to implement with the best and willing to be sanctioned if violated.</p>	Closed
4.	2.1.1	RSPO0 1194	Some conditions in estate that are not in accordance with the fulfillment of laws and regulations, such as : <ul style="list-style-type: none"> • Tanah Raja estate, Gunung 	9 August 2017	<p>Some evidences of correction action has provided as below :</p> <ul style="list-style-type: none"> • Tanah Raja estate has provided regular health examination program year 2017 with detail of schedule time is 35 employees in July 2017, 40 employees in August 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>Monaco estate and Rambutan POM not conducting regular health examination year 2016 & 2017 for employee so that it is not compliance with requirement of Permenakar No. PER/02/MEN/1980 (Health Inspection and In Maintenance of Occupational Safety) section 3 (2) mentioned that all industry as in Section 2 (s) shall conduct a health inspection at least once a year.</p> <ul style="list-style-type: none"> Content or item in first aid box in division of III office – Gunung Monaco estate and division of III office – Sei Putih estate and first aid bag/mobile which bring by harvesting supervisor and maintenance supervisor in division of III – Gunung Monaco estate and harvesting supervisor in division of V – Tanah Raja estate and division of III – Sei Putih estate not complete by type and quantity according regulation no. Per.15/Men/VIII/2008. Information of type of plantation and or total of areas on plantation bussiness permit (SPUP) on behalf Tanah Raja estate and Sei Putih estate not accordance with real or existing condition in field so that it is not compliance with regulation no. Permentan no.98 year 2013 section 33. 		<p>2017, 47 employees in September 2017, 47 employees in October 2017, 46 employees in November 2017 and 50 employees in December 2017. Tanah Raja has carried out regular health examination dated on 24 July 2017 for 35 employees (Safrial, Dra Purniwati, Wagimin P, Bambang Iswanto, Rosgiwati, Aini, Sukiyem, Anuwar, Samidi, Erwinsyah Rizal, Hasbi, M. Ramadhani, Ssaparuddin J, Sofyan Harahap, Darlis, Akhir Efendi Damanik, Masdapita Sipayung, Mawar Susana, Bunari, Miswanto, Asmidi, Fakhrol Rizal, B. Sihombing, Wagirin, Suparjan, Zakaria, Jasim, Aswadi, Hasan Basri H, M.Safii, Sangkot, Supriadi M, Syahrul, Syahril Bancin, Ahmad Husein).</p> <p>Gunung Monaco estate has provided regular health examination program year 2017 with detail of schedule time is 4 employees in June 2017, 7 employees in July 2017, 17 employees in August 2017, 26 employees in September 2017, 24 employees in October 2017, 26 employees in November 2017, 26 employees in December 2017, 22 employees in January 2018 and 25 employees in February 2017. Gunung Monaco has carried out regular health examination dated on 21 June 2017 for 4 employees (Abdul Nurrahman Lubis, A.Rahman, Abdul Rahman Sitepu and Abu Hasan Azhari Sipayung) and dated on 3 July 2017 for 7 employees (Adi Kurniawan, Agung Prayetno, A.Darwis, Ahmad Sanusi Saragih, Ahmad Yusuf, Aris Rusman, and Anggri Kristian)</p> <p>Rambutan POM has provided regular health examination program year 2017 with detail of schedule time is 24 employees in July 2017, 24 employees in August 2017, 9 employees in August 2017, 24 employees in September 2017, 24 employees in October 2017, 24 employees in November 2017. Rambutan POM has carried out regular health examination dated on 25 July 2017 for 24 employees (Riswan, Suryati, Suyanto, Rahma Eka Putra, Suparman, Fri Anggun, Zul</p>	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<ul style="list-style-type: none"> auditor was found assisten of harvesting amount of 1 of 3 employees (take/collect of FFB losse & bring FFB from harvesting location to collection FFB areas) in division of III – Gunung Monaco estate and 1 employee in division of III – Sei Putih estate are children or under age as employee and auditor was found too 1 employee in division of II – Gunung Monaco estate have not agreement with company as employee or he is not as company's employee so that it is not compliance with company policy and regulation 		<p>Wahyudi, Zulkifli, Sugianto, Melinda Susanti, Misnan, Hasanuddin Hutapea, Dicky Satria Nugroho, Sutarso, Therecya Mahdalena, Budianto, Ismail Marzuki Lubis, Ary Pranjaya, Dasa Ihwana H, Ali Amran, Rifi Gusti P, Imam Qodri H, Rahmat Andika S, Sukiman Nasution)</p> <ul style="list-style-type: none"> Sei Putih estate (Division of III) has hand over first aid bag with their content is complete (refert to Man Power Regulation no. 15/Men/VIII/2008) to two supervisor dated on 21 June 2017. Health officer or assiatent of division, supervisor & clerk in Sei Putih estate has carried out evaluation of first aid content on waist bag and box in June & July 2017 (Division of I), 22 June 2016 (Division of II & III). The result of evaluation is complete. <p>Gunung Monaco estate (Division of III) has added first aid content in box and waist bag so be complete. Evidence of correction action in the form photogrph, the list of first aid box content which has signed by health officer in Gunung Monaco estate dated on 11 July 2017 and hand over letter regarding distribution of first aid content in waist bag to two harvesting supevisors and 1 maintenance supervisor.</p> <p>Tanah Raja estate (Division of V) has added first aid content in waist bag so be complete by health officer. Health officer has distributed first aid bag to some supervisors and carry out evaluation of the completeness first aid content. The result of evaluation for first aid bag content is complete.</p> <ul style="list-style-type: none"> First time that PTPN III – Deli Serdang II District has submitted letter no. DSER-2/X/98/2013 dated on 31 July 2013 to plantation agency in Deli Serdang District regarding request of type of plant change in Sei Putih estate. It has received by local government dated on 2 August 2013. <p>No follow up from previous letter so that PTPN III - Serdang II District has submitted letter again (no.</p>	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>DSER-2/X/22/2017 dated on 6 June 2017) to Head of permit integrated service in Deli Serdang District regarding request of type of plant change in Sei Putih estate. It has received by local government dated on 7 June 2017 and 2 August 2017.</p> <p>Whereas, change of plant type in Tanah Raja estate was got approved from local government (permit integrated service) in Serdang Bedagai District dated on 31 July 2017 (head of investment and permit integrated service agency decree no.01/41/VII/DPMP2TSP-SB/2017).</p> <ul style="list-style-type: none"> PTPN III has issued circular letter no. 3.01/SE/16/2015 dated on 3 November 2015 regarding harvesting conducted by company employee (no bring assistant). <p>Gunung Monaco estate manager has issued intern no. KGMNO/Int/86/2017 dated on 9 June 2017 regarding prohibition of employing children minors in order assisting production activities in field. If next time still found it so that head of division, supervisor I and harvesting supervisor will be negative performance or punishment and receive warning letter. Head of division of I to IV has signed integrity pact dated on 9 June 2017 regarding prohibition of employing children minors. Supervisor of I, harvesting supervisor, harvesting employees (Misman Purba, Kasimin, Heri Setiawan, Ahmad Sanusi Saragih, Ramdhani, Eko Harianto, Sandi Syahputra, Herizal Fazri, Sopian, Juliardi Saragih, Hardiansyah, Markaleaman Sipayung, Herman Suandi, Paiman, Hoir Teguh Rahman, Aris Rusman, Robin Doan, Richi Supandi, Kamal, Ginde Sultan Lubis, Sugiono, Carles Saragih, Pandri M. Amri, Riky Ariawan), – Division of III has signed statement letter dated on 9 June 2017 regarding prohibition of employing children minors and not bring assistant for harvesting activity. Division of III – Gunung Monaco estate has carried out dissemination regarding prohibition of employing children minors dated on 9 June 2017 with</p>	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>participant amount of 29 employees. Head of division of I to IV has carried out inspection of not bring assistant & no children under age as employee dated on 9 to 23 June 2017 (division of I) and 9-10 June 2017 (Division of II-IV). The result of inspection is the harvester not bring assistant & no children under age as employee. Gunung Monaco estate has created mechanism of the anticipation of harvester assistant as corrective action plan.</p> <p>Sei Putih estate has carried out dissemination regarding harvesting and law no.13 year 2003 dated on 12 June 2017 and 8 August 2017 with participant amount of 15 employees and harvester wife. Evidence of correction action in the form of photograph and presentation material. Vice of estate manager and head of division of III has signed integrity pact regarding compliance to law no.13 year 2003. Harvester – Division of III (Sutan Adlan Nasution, Januar Insak, Nur Bakti, M. Safii, Candarwanto, Heri Susanto, Aswat Kurnianto, Edi Saputra, M. Idris R, Miswari, Julian Manahan Pasaribu, Dedi Saputra, Adi Sahputra, Heri Saputra, Yuda Aditama, has signed statement letter dated on 12 June 2017 regarding no bring assistant in harvesting activity and prohibition of employing children minors. Head of division of III has carried out inspection of not bring assistant & no children under age as employee dated on 1 to 22 June 2017, 1 to 31 July 2017 and 1 to 8 August 2017. The result of inspection is the harvester not bring assistant & no children under age as employee. Assistant of harvester or harvester wife (Puspita Dewi, Elvi Sari, Siska Ayu, Ani, Selamat, W Fadhilah Ismi, Miranti Aulia I, Khoiria S, Ika Rahayu, Jumiran, Ashari, Ida Dewita, Daila Tunisa Lubis, Ulin Sitepu, Erna Susanti, Nuraini, Puspa Sari, Dina Retno Wati, Sarni, Rama, Ria Pratiwi, Ayu, Aisyah, Susiana Sitepu, Yeyen, Rosalinda, Ruri Dayanti, Rama S.G, Widya Aris Tika, Siti Fatima, Suhardi, Mahyudin, Sri Wahyuni, Erlis Melati, Eriani, Nova, Rina Farida) have</p>	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					signed statement letter dated on 31 July 2017 & 8 August 2017 regarding pledge or promise from assistant of harvester that they will not working again as assistant of harvester.	
5.	3.1.1	RSPO0 1198	Long term plan period of 2015 to 2018 on behalf mill and estate not consolidate so that several informations on long term plan not available i.e forecast/projection of FFB and product (CPO & PK) price or trend of FFB and oil price in mill and financial indicator in mill and all estates	9 August 2017	<p>The company (PTPN III) has provided “company long term plan period of 2014 to 2018”. All informations was consolidated for all estates and mills and other bussiness unit under PT Perkebunan Nusantara III.</p> <p>Based on section of IV that forecast/projection of product (CPO, PKO & PKE) price was available. Trend of product price is positive. Whereas, forecast/projection of FFB price was not available but cost of production in mill was available. Whereas, information of financial indicator was available in form of consolidated, per type of commodity (rubber and palm oil), and per entitas (joint of operation, subsidiary and nucleas of company). Information of financial indicator such as revenue, production cost, other revenue, investation, profit/losses before tax and net profit/losses. Projection of financial balance and financial rasio was available too.</p>	Closed
6.	4.1.1	RSPO0 1225	No evidence that Sei Putih estate has conducted socialization of weed control by chemically to sprayer worker in 2016 and 2017.	9 August 2017	<p>Sei Putih estate has carried out dissemination of weed controlling by chemistly to maintenance employee (sprayer) dated on 23 June 2017.</p> <p>Evidence of correction action are minute of meeting, attendant list, material presentation and photograph.</p> <p>Based on material presentation and minute of meeting that content of dissemination are activity of weed controlling by chemistly shall refer to IK-3.09-03/04 so that employee understand dossen and their rotation of spraying, using appropriate PPE in field, sprayer washing work tools in the location which was provided by company, agrochemical container shall recorded and given to hazardous & toxic waste warehouse in estate office, sprayer shall be carrefully so that work accident cause exposed by chemical can be avoided and sprayer will implement spraying theory in field.</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					Participant of meeting are supervisor of maintenance (Miwah) and maintenance employee (Safri, Edi Sarjaya, Sarman, Takodi, Jumaidi, P.Sihombing) in division of 3. Based on photograph that sprayer has carried out spraying activities accordance best practice and using PPE	
7.	4.5.1	RSPO01200	During field verification at division 2 - Gunung Monaco Estate, there is no found beneficial plant adequate in accordance with the level of caterpillar pests as one of the implementation of the IPM plan	9 August 2017	Gunung Monaco estate (division of 2) has been planted beneficial plant (Antigonon leptopus and Turnera subulata) year 2016 and 2017. Turnera subulata has planted dated on 12-13 April 2016 amount 100 polybags at block I12-13 to J12-13 (near road) and H13-14 to I13-14 (near road). Whereas, planting Antigonon leptopus dated 20-21 April 2016 amount of 10 polybags at block I12-13 to J12-13 (near road) and H13-14 to I13-14 (near road). Total of polybag has planted year 2016 amount of 150 polybags (Turnera subulata) and 15 polybag (Antigonon). Estate has planted Antigonon leptopus and Turnera subulata year 2017 (6-7 Juni 2017) amount of 5 polybags every plant at block H13-14. Seedling was available so that next planting plan are July to December 2017. Location of planting plan is block H13-14, I12-13, J11-12 and K11 for Turnera subulata and block H14, I13, J12, K9 & 11 and L10. Estate has submitted guidance or something to known from determination the location of planting to replant activities, minute of morning meeting dated on 12-13 April 2016, 20-21 April 2016, and 6-7 June 2017 and photograph about planting activities and current condition of Turnera and Antigonon.	Closed
8.	4.6.2	RSPO01201	- information of total of applicant and name of employee/applicant for maintainance activities and pest and disease control using agrochemical year 2016 & 2017	9 August 2017	<ul style="list-style-type: none"> Information of the total of applicant and name of employee for maintainance activities or pest and disease control using agrochemical year 2017 was available as below : 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>not available/provide too (internal employee in Gunung Monaco, Tanah Raja and Sei Putih estate & external employee or sub-contractor employee : Gunung Monaco and Tanah Raja estate)</p> <p>- Recapitulation of using pesticide record per quarter year 2016 & 2017 has not informed active ingredient name and their LD₅₀ exclude of posat (Gunung Monaco estate), orthene, heksa, starane and sida up (Tanah Raja estate) and orthene and sida up (Sei Putih estate)</p>		<ul style="list-style-type: none"> - Gunung Monaco estate : 12 internal employees (Aslinawati Raja Gukguk, Zulpan Kesuma, Warsito, M.Towil, Usman, Suhardi, Muliadi, Suryadi, Markaliaman Sipayung, Erwin Juanda S, Timan, Suherman). It is pest and disease team (based on Gunung Monaco estate manager decree no. KGMNO/SP/38/2017 dated on 27 February 2017. Furthermore, 12 subcontractor employees in Division of III (Muliadi, Wagimin, Basri, Wagiran, Karnisa, Paini, Rohani, Atik, Wariyem, Roni, Sanukut, Sayem). Estate has provided recapitulation of chemist employee period of January to May 2017 and their attendant list. - Tanah Raja estate : 9 internal employees (Asri, Arianto, Sri Suwarno, Marianto, Abdul Wahid, Suwanto, Teguh Hendrawan, M. Amin & Purwanto) and 14 subcontractor employees (Rugiman, Salman, Basri, Gugun, Suyanto, Muktaruddin Sinaga, Nuriyanto, Turnian, Poniran, Junianto, Satro Muhadi, Pendi, Kahar & Gunawan) and 6 subcontractor employees in Division of II (Surli, Mei, Lia, Muadi, Meri, Roma). - Sei Putih estate : 13 internal employees (Miswan, Safri, Sarman, Edi Sarjaya, Sumidi, Rizki Amanda Lubis, Marsidi, Saliman, Tukidi, Junaidi, Mansen O Barus, Sudarmaji and P.Sihombing) • Evidence of correction action from Gunung Monaco, Tanah Raja and Sei Putih estate as below : <ul style="list-style-type: none"> - Gunung Monaco estate has provided revision of the recapitulation of use agrochemical year 2017 because active ingredient name and their LD₅₀ (include of toxicity calculation) was available as example fosat (glifosat 363 g/l). - Tanah Raja estate has provided revision of the recapitulation of use agrochemical year 2017 because active ingredient name and their LD₅₀ (in- 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>clude of toxicity calculation) was available as example is :</p> <ul style="list-style-type: none"> ▪ division of IV : orthene 75 SP (Asefat 75%), Ally 20 WP (metil metsulfuron 20%), decis 25 WG (deltametrin 25 gr/l), sida up (glifosat 363 g/l), fosat (glifosat 363 g/l); ▪ division of III : orthene 75 SP (Asefat 75%), matador 25 gr/l (lamda sihalotrin), sida up (glifosat 363 g/l), ally 20 WP (metil metsulfuron 20%), heksa 50 SC (heksa konazol 50 gr/l), starane (florokspir 480 gr/l); ▪ division of II : sida up (glifosat 363 g/l), ally 20 WP (metil metsulfuron 20%), starane (florokspir 480 gr/l), heksa 50 SC (heksa konazol 50 gr/l), fosat (glifosat 363 g/l); ▪ division of I : sida up (glifosat 363 g/l), fosat (glifosat 363 g/l), starane (florokspir 480 gr/l), heksa 50 SC (heksa konazol 50 gr/l). <p>Whereas, the recapitulation of use agrochemical year 2016 (1st to 4th quarter) was available too (appendix of memorandum no. KTARA/3.01/MO/2015 dated on 7 April 2015). It has included information of name of agrochemical, name of afdeling, total of treatment areas, volume of use agrochemical (plan and real), total of active ingredient and toal of active ingredient/ha. Active ingredient name and their LD₅₀ (include of toxicity calculation) was available too but it is separete from appendix it. Type of agrochemical was used year 2016 are fosat (glifosat 363 g/l) in Division of I to III, sida up (glifosat 363 g/l) in Division of III to V, starane (florokspir 480 gr/l) in Division of III & V, matador 25 gr/l (lamda sihalotrin) in Division of V, heksa 50 SC (heksa konazol 50 gr/l) in Division of I & III, orthene 75 SP (Asefat 75%) in Division of III & V, Sun Up (glifosat 363 g/l) in Division of I to V.</p>	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<ul style="list-style-type: none"> - Sei Putih estate has provided revision of the recapitulation of use agrochemical year 2017 (1st to 2nd quarter year 2017) because active ingredient name and their LD₅₀ (include of toxicity calculation) was available as example orthene 75 SP (Asefat 75%), sida up (glifosat 363 g/l) & decis (deltametrin 25 gr/l) (period of January to June 2017). Whereas, the recapitulation of use agrochemical – 1st to 4th quarter year 2016 in division of III – Sei Putih estate was available and it has included active ingredient name and their LD₅₀ (include of toxicity calculation). Type of agrochemical on recapitulation is Orthene 75 SP (Asefat 75%), Posat 490 SL (isopropil amina glifosat), Sida up (glifosat 363 g/l) and Decis 2.5 EC (deltametrin 25 gr/l). 	
9.	4.6.5	RSPO0 1203	<ul style="list-style-type: none"> - Gunung Monaco and Sei Putih estate has not been informed total of sprayer and their name (internal & external employee) for maintenance activities and pest & disease control use of pesticide year 2016 & 2017 so that there is not evidence that all sprayers year 2016 & 2017 has participated in training. - Based on interview with spraying supervisor that he and sprayer employees at division of III – Gunung Monaco estate not use of PPE - no evidence that external/sub-contractor employees has provided adequate of PPE appropriate risk assessment result by the company and employees has utilized PPE because Gunung Monaco and Sei Putih 	9 August 2017	<ul style="list-style-type: none"> • Gunung monaco estate has carried out handling of agrochemical and hazardous & toxic waste (include of their symbol) training dated on 20 January 2017 with participant amount of 26 employees. Evidence of correction action in the form of attendant list, photograph and presentation material. • Spraying supervisor in Division of III – Gunung Monaco estate has used PPE (helm, mask, rubber gloves and rubber boots). Evidence of correction action in the form of photograph and list of hand over of PPE. • Gunung Monaco estate has provided photograph of subcontractor using PPE and list of PPE receipt as evidence of hand over PPE between estate to subcontractor employee as example : manual maintenance employee has used PPE (helmet & rubber boots) in division of I amount of 6 persons, in division of II amount of 9 persons and in division of IV amount of 6 persons and spraying employee has used PPE (mask, glasses, rubber gloves, rubber boots, apron) in division of I amount of 6 persons (Suriatik, Butet, Titi, Ruk, Balmi, 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>estate no spraying activities during audit</p> <ul style="list-style-type: none"> - Sei Putih estate (division of 3) has not showed MSDS for agrochemical was used in year 2016 & 2017 at warehouse/storage of agrochemical or office exclude of Sida up, Bayleton and Orthene. 		<p>Rusna), division of II amount of 10 persons (Meriyati, Lia, Leni, Ramayana, Surti, Membot, Ana, Sona, Rahim, Muadi), division of III amount of 10 persons (Basri, Wagiran, Kamisa, Paini, Rohani, Atik, Wariyem, Roni, Sanukut, Sayem) and division of IV amount of 6 persons (Suriani, Kingkong, Inung, Marsitik, Membot & Lina).</p> <p>Division of I to IV has given PPE (mask, glasses, rubber gloves, rubber boots, apron) for spraying activity to :</p> <ul style="list-style-type: none"> ▪ Division of I : 6 subcontractor employees and 1 internal employee (Aslina). ▪ Division of II : 10 subcontractor employees and 1 internal employee (M. Towil). ▪ Division of III : 10 subcontractor employees and 2 internal employees (Muliadi and Wagimin). ▪ Division of IV : 6 subcontractor employees and 1 internal employees (Legimin). <p>Every employee was signed on list of PPE receipt dated on 19 June 2017 and photograph of using PPE in field as evidence that they has received PPE and has used. Division of I to IV has carried out inspection of completeness PPE dated on 3-31 July 2017 & 9-20 June 2017 (division of III only).</p> <p>Whereas, Sei Putih estate has provided list of hand over PPE to 11 internal employees for spraying activity, photograph and the result of inspection.</p> <ul style="list-style-type: none"> • Sei Putih estate (division of III) has provided MSDS for agrochemical was used in year 2016 and 2017 such as orthene, emulgator, decis and fosat. 	
10.	4.6.6	RSPO01204	<ul style="list-style-type: none"> - 3 pcs agrochemical container not available in Gunung Monaco estate warehouse/store - Used agrochemical container (as hazardous and toxic waste) year 2016 & 2017 was not avail- 	9 August 2017	<p>Gunung Monaco estate (division of 1 & 3) has submitted some evidences of correction action such as photograph of agrochemical container, log book of hazardous & toxic waste in warehouse and delivery order letter from division of 1 & 3. Based on photograph of agrochemical container that 3 pcs agrochemical container has available in ware-</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>able in division of III store/warehouse (Sei Putih estate) and Sei Putih estate warehouse/store has not been received used agrochemical container from division of III.</p> <ul style="list-style-type: none"> - Warehouse in Sei Putih Estate has not been received agrochemical container waste period of 2016 & 2017 exclude Bayleton and Ethrel 		<p>house/store of division and it has dispatch agrochemical container waste to hazardous & toxic waste warehouse/store in Gunung Monaco estate dated on 9 June 2017 (division of 3) amount of 3 pcs and 6 June 2017 (division of 1) amount of 3 pcs. Based on log book of hazardous & toxic waste in warehouse/store of estate that it has receipt by hazardous & toxic waste warehouse/store officer dated on 6 June 2017 from division of 1 amount of 3 pcs and dated on 9 June 2017 from division of 3 amount of 3 pcs.</p> <p>Sei Putih estate manager has submitted intern letter to head of division (no.KSPTH/Int/82/2017 dated on 22 June 2017) regarding handling agrochemical container waste. Division of III – Sei Putih estate has shown log book of hazardous & toxic waste update. Type of hazardous & toxic waste on log book is used ethrel container is 7.5 kg (@ 3 pcs/kg), ex fertilizer sack is 100 kg, used flotex container is 2 kg and used glifosat container is 12 pcs. Delivery order letter dated on 29 July 2016 and 18 November 2016 from division of 3 – Sei Putih Estate to Sei Putih Estate warehouse/store was available. Hazardous & toxic waste in form of ex-ethrel container has hand over to Sei Putih Estate warehouse/store amount of 7.5 kg dated on 29 July 2016 and amount of 100 kg & ex flotex container amount of 4 pcs dated on 18 November 2016.</p> <p>Sei Putih estate warehouse/store has shown hazardous & toxic waste balance update and their type of hazardous & toxic waste are agrochemical container waste for bayleton, ethrel, flotex, sida up, glifosat (posat), decis, emulgator, or-thene and ex-fertilizer sack.</p>	
11.	4.6.11	RSPO01206	<ul style="list-style-type: none"> - Gunung Monaco and Tanah Raja estate could not be founded evidence that specific annual medical surveillance for all sprayers from external employee (sub-contractor) has carried out - Rambutan POM has carried out 	9 August 2017	<ul style="list-style-type: none"> • Rambutan POM has provided specific medical check-up schedule/program year 2017 for 33 internal employees with type of examination is audiometri (12 employees in July & August 2017), cholinestrase (10 employees in July & August 2017), spirometri (8 employees in August 2017) and psychology (3 employees in August 2017). Rambutan POM has carried out audiometri examination 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>the last of specific annual medical surveillance year 2015 for 10 employees so that year 2016 and 2017 has not been carried out</p> <ul style="list-style-type: none"> - Tanah Raja estate has carried out specific annual medical surveillance (cholinestrase) for 5 employees only (Kahar, Pendi, Suyanto, Sastro and Girun) and the other employee has not been carried out - Spraying employee (internal employee) in Gunung Monaco and Sei Putih estate has carried out specific annual medical surveillance (cholinestrase) for 10 employees in year 2015 and for 5 employees in June 2017 (Tanah Raja estate) but evidence of specific annual medical surveillance (cholinestrase) for other employee not available. 		<p>for 4 employees in July 2017 and cholinestrase examination for 3 employees in July 2017 while the rest will be done in August 2017. Rambutan POM has carried out spesific medical check-up with the result of examination is normal. Evidence of correction action is the result of laboratorium analysis (no. 94E/LHU-KES/BK3-MDN/VII/2017 & no. 94A/LHU-KES/BK3-MDN/VII/2017) for cholinesterase & audiometri parameter test and sampling date is 31 July 2017 for 3 employees (Aladin Nasution, Sugiardi & Payet) & 4 employees (Tumpak S, Siswoko, Lit Malem and Listio).</p> <ul style="list-style-type: none"> • Based on memorandum no. KTARA/3.08/MO/323/2017 dated on 12 August 2017 from Tanah Raja estate manager so that PTPN III has issued letter no.3.09/X/138/2017 & no.3.09/X/139/2017 dated on 14 August 2017 regarding the result of vendor performance evaluation on behalf CV Buana Soro and CV Claresta Diamanta that CV Biuana Soro & CV Claresta Diamanta shall carry out special medical check-up (cholinesterase) for all sparaying employees accordance work agreement no.3.09/SPK/479/2017 & no.3.09/SPK/663/2017 dated on 15 March 2017 & 10 April 2017. If next time not shows improved performance then PTPN III will provide strict sanction so that it can hurt vendor. Whereas, six internal employees (Teguh Hendrawan, M.Amin, Purwanto, Erianto, Asri, Sufian Harahap) & four spraying employees (Junianto, Nuriyanto, Rugiman & Basri) from CV Putra Mulia Mandiri has carried out spesific medical check-up (cholinestrase) with the result of examination is normal. Evidence of correction action is the result of laboratorium analysis (no. 92E/LHU-KES/BK3-MDN/VII/2017 & no. 92.2E/LHU-KES/BK3-MDN/VII/2017) for cholinesterase parameter test and sampling date is 31 July 2017. Tanah Raja estate has provided spesific medical check-up (cholinestrase) schedule year 2017. Detail schedule is six internal employees (Teguh Hendrawan, M. Amin, Purwanto, Eriyanto, Asri, Sopian Harahap) in July 2017, five internal 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>employees (Sri Suwarno, Marianto, Abdul Wahid, Suwanto and Wagirin) in December 2017, five subcontractor employees (Suyanto, Sastro Muhadi, Pendi, Gunawan, Kahar) in June 2017, four subcontractor employees (Rugiman, Basri, Nuryanto, Junianto) in July 2017 and two subcontractor employee (Mustan Sinaga & Ambianto) in December 2017.</p> <ul style="list-style-type: none"> • Sei Putih estate has provided shedule & realization for spesific medical check-up (cholinestrace) for 11 internal employees (Miswan, Mansen O Barus, Sudarmaji, Safri, Sarman, Edi Sarjaya, M.Nasib, P.Sihombing, Junaidi, Tukidi and L.A Sitompul) and It has planned on July 2017 and December 2017. Sei Putih estate has provided the result of laboratorium analysis (no. 93E/LHU-KES/BK3-MDN/VII/2017 & no. 99E/LHU-KES/BK3-MDN/VIII/2017) for cholinesterase parameter test amount of 7 employees (Sarman, Miswan, safri, Mansen O Barus, Sudarmaji, Edi Sarjaya and M.Nasip) & 4 employees (P.Sihombing, Tukidi, Junaidi & L.A Sitompul) with sampling date is 31 July 2017 & 14 August 2017. The result of analysis from OSH office in Medan is normal for all employees it. Whereas, Gunung Monaco estate has provided shedule & realization for spesific medical check-up (cholinestrace) for 10 internal employees (Syukur, Aslinawati Rajagukguk, M.Towil, Suherman, Hendra SR, Pajar Eko PSN, Wagimin, Sutyadi, Benni Togatorup and Muliadi) and 7 sub-contractor employees (Leni, Romayana, Merianti, Lia, Basri, Rani & Suryani). It has planned on June 2017 and December 2017. Gunung Monaco estate has provided the result of laboratorium analysis (no. 89E/LHU-KES/BK3-MDN/VII/2017 & no. 88E/LHU-KES/BK3-MDN/VII/2017) for cholinesterase parameter test amount of 10 internal employees & 7 sub-contractor employees with sampling date is 25 July 2017. The result of analysis from OSH office in Medan is normal for 9 internal employees & 6 sub-contractor employees and 1 internal employees (Wagimin) & 1 sub-contractor employee (Lia) is suspect 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					of poisoning. Gunung Monaco estate & subcontractor company has issued statement letter of work relocation to non handling agrochemical activities.	
12.	4.7.2	RSPO01207	<ul style="list-style-type: none"> - Based on HIRAC in Rambutan POM that it has not completed with decision on effectiveness or not in the determination of its follow-up because the severity and likelihood was decided with score 2 (light injury / medium loss level) for boiler explosion while the potential danger which can happen is to explode/fire so that it can bring death/big loss (5). - Clarification station not identified the potential noise risk on HIRAC as it was having high noise level is 87.3 dBA (the result of monitor/control dated on 14 November 2015) 	9 August 2017	<p>The company has submitted some evidences such as revision of HIRAC year 2017, the result of laboratorium analyst from local government for noise intensity and OSH programme for Rambutan POM year 2017.</p> <p>Rambutan POM has submitted revision of HIRAC year 2017 where it has completed with decision on effectiveness or not in the determination of its follow-up. Based on the risk assessment for boiler explosion that likelihood of occurrence is C (may be or could occur), hazard severity is 5 (death, huge losses) and risk rating/level is E (extreme risk). Whereas, the result of continuation risk assessment as same as the risk assessment but decision of effectiveness is not effective so that follow-up improvement is doing simulation or training of emergency response.</p> <p>On the revision of HIRAC year 2017 in Rambutan POM that clarification station has added potensial of hazard i.e noise risk. Based on risk assessment for noise risk that likelihood of occurrence is B (likely), hazard severity is 2 (minor injuries, moderate material losses) and risk rating/level is H (high risk). Current risk control is using ear plug and OSH programme is dissemination of using PPE, provide of ear plug and distribution to employee. Whereas, the result of continuation risk assessment as same as the risk assessment but decision of effectiveness is not effective so that follow-up improvement is doing spesial health check (hyperkes) regularly with noise parameter/intensity. One of title of programme from OSH programme are provide and dissemination of PPE and emergency response simulation training. Action plan year 2017 for provide and dissemination of PPE such as identification of PPE need (February 2017), procurement of PPE (March 2017), dissemination of PPE (May 2017), PPE distribution and their record (August 2017) and evaluation of programme (December 2017). Whereas, action plan year</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					2017 for emergency response simulation training such as create of organization structure and their job and responsibilities (February 2017), conducting emergency response simulation training (July 2017), checking emergency response equipment (March, June, September and December 2017), conducting emergency response simulation (July 2017) and evaluation of programme (December 2017).	
13.	4.7.3	RSPO01208	<p>The result of field visit that auditor was found inconsistency of PPE usage or PPE condition or employee has not receive PPE from company as example :</p> <ul style="list-style-type: none"> - In the high level of noise location (sterilization and digester station) was found cleaning worker only wearing helmet & three workers not wearing ear plug or ear muff and two mechanics repairing pump at engine/machine room and high level of noise not wearing ear muff or ear plug (Rambutan POM), - Harvester worker/employee (employee number : ...4859) at division of III – Sei Putih estate not wearing helmet because he has not been received helmet from company. - Harvester (Mr Hari Saputra) in Sei Putih estate using helmet not appropriate with requirement because the rubber/plastic in the head circumference of the helmet has been missing so that his helmet always moves and falls while he 	9 August 2017	<ul style="list-style-type: none"> - Rambutan POM has provided list of PPE which has handover to employees. It has distributed to employee and some PPE was available in each station. Based on list that ear plug was distributed to all employees in digester, clarification and engine/mechine room and some employees from other section which working in areas it. Whereas, ear muff was available in engine/mechine station. Auditee has carried out educate or re-awareness about use of PPE and OSH dated on 19 June 2017 with total of participant is 88 persons. Support evidence are attendant list, photograph, minute of dissemination and invitation letter. Based on photograph that cleaning worker in sterilization station and three workers in digester station was used of ear plug. Whereas, two mechanics repairing pump and engine/machine operator at enginee/machine station was used of ear muff. - Two harvesting employee (employee number : ...4859 (Mr M.Safii) and Mr Heri Saputra) at Division III – Sei Putih estate has received new helmet dated on 10 June 2017 from supervisor of harvesting. It has supported by some evidences such as photograph of the handover of new helmet to two harvesting employees & has used in harvesting activity and two harvesting employees has signed handover of new helmet it. Moreover, Division of III – Sei Putih estate has carried out checking use of PPE dated on 10, 12 to 17, 19 to 20 June 2017. The result of checking is 15 harvesting employees has used of PPEs (helmet, rubber both shoes, rubber gloves and glasses. - The company has provided some evidences such as : 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>doing the harvesting activities.</p> <ul style="list-style-type: none"> - Sub-contractor's employee/worker (cutting rubber tree in Tanah Raja estate areas) not wearing PPE and the result of interview that sub-contractor company not provide PPE for their employee/worker because the estate or company has not carried out any ensure to a third party that they have fulfilled one of their obligation inside agreement clause relate of OSH 		<ul style="list-style-type: none"> o Photograph regarding chainsawman has used helmet, gloves, rubber both shoes and mask. Whereas, helperman has used rubber both shoes, helmet and gloves. o Work agreement no.3.15/SPJ/04/2017 dated on 10 May 2017 between company and PT Canang Indah (third party) regarding sell-buy rubber tree with contract period is 10 May 2017 to 15 July 2017 and letter no.3.15/X/SPP/164/2017 dated on 10 May 2017 regarding tender notification letter for sales of rubber tree. On the tender notification letter has been informed that the sub-contractor company must comply with some regulations/obligations where one of them is the employee must to use of PPE according condition in the field (clause no.4). o Memorandum no.KTARA/3.08/MO/323/2017 dated on 12 August 2017 from Tanah Raja Estate manager to Head of Secretary Corporate regarding performance evaluation of sub-contractor period of 1st semester – year 2017. The result of performance evaluation on behalf PT Canang Indah is can be re-used with notes. o Memorandum no.KTARA/3.15/MO/321/2017 dated on 14 August 2017 from Tanah Raja Estate Manager to Head of Commercial section regarding inconsistency of implementation PT Canang indah referring to work agreement and tender notification letter regarding using of PPE so that please be given an action/sanction to the sub-contractor company. Referring to memorandum from Tanah Raja Estate that the company (Senior Executive Vice President - PTPN III) has issued letter no.3.15/X/308/2017 dated on 14 August 2017 regarding reprimand letter. It has instructed to immediately completing the PPE of the workers during doing their work. 	
14.	4.7.4	RSPO0 1209	- Estate and mill have OSH committee (P2K3) and it has ap-	9 August 2017	<ul style="list-style-type: none"> • Sei Putih estate manager decree letter no. KSPTH/SKPTS/05/2017 dated on 5 July 2017 regard- 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>proved by local government but there is not representative of operation workers (level of IA & IB) on organizational structure of OSH committee so that some issues or complaint relate of OSH in their level not discussed as example in Sei Putih estate.</p> <p>- OSH committee meeting in Sei Putih estate period of January to April 2017 does not reflect discussion of issues related to OSH when there are issues that require attention such as shoes boat or rubber boat (PPE) only lasted 3 months so that the remaining time in a year using self-purchased boots, the harvester still has no helmet or his helmet in damaged condition, medical examination not yet done, incomplete first aid box content/item, occupational diseases, availability of PPE other than helmet, etc.</p>		<p>ing OSH committee for general inspection team where operation worker (level of IA & IB) as team member. Based on Head of Man Power and Transmigration decree in Deli Serdang District no. 560/6445/DTK-TR/2016 dated on 20 May 2016 that one of section in OSH committee is working group : general inspection team. OSH committee has revised because some persons mutation to other estate and it has informed to local government as example letter dated 22 August 2016 and 20 October 2016.</p> <ul style="list-style-type: none"> Sei Putih estate has provided OSH monthly report (month : June 2017) dated on 3 July 2017. It has informed that OSH committee was discussed relate of the topic of accident data, has not been requested procurement of PPE (helmet, safety boot or rubber boot and glasses) so that there are still found workers do not using PPE because PPE has been damaged, the PPE retention time has not been established so that there is PPE broken but has not been received a replacement, refill of first aid content program/schedule has not been created so that first aid content in first aid bag not complete, health exam for employee with high risk has not been done (audiometric, spirometric, cholinestrase and psikology) but has submitted memorandum no. KSPTH/3.16/MO/97A/2017 dated on 10 April 2017 to TI/TB & CMR (3.16) section. Way out for some issues is remainder of work accident in morning briefing, inform to all employees that if any work accident that inform to supervisor immediately, request of the procurement of PPE as needed in year 2017, inspection of use PPE in field before starting work, re-submit memorandum to TI/TB & CMR (3.16) section about health exam and carry out general inspection in field. Other support evidence such as attendant list of OSH meeting and photograph of redessimation of using PPE. 	
15.	5.1.1	RSPO01223	Sei Putih estate has shown revision of environmental manage-	9 August 2017	The company has provided environment evaluation study	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			ment and monitoring effort document but environmental document can not showed by estate so that scope of assessment can not clear		as environment document where it was approved by government (Minsitry of Agriculture) dated on 9 February 1994 (letter no. Rc.220/274/B/II/94). It has distributed to Sei Putih estate as copy of document ot archive.	
16.	5.1.2	RSPO0 1213	Last audit that Sei Putih estate found non-compliance between implementation management plan with environmental management matrix document, were the type of plan was planted not met with plant recommendation in environmental management document matrix. Correction action plan was proposed by company in last audit is plant department to ensure the seedling procurement should refer to environmental management plan recommendation. During 1 st surveillance audit that Sei Putih estate can not showing evidence of implementation it	9 August 2017	Sei Putih estate has provided some document such as : <ul style="list-style-type: none"> • Report of environment management program year 2017 for sub section of planting some trees in order to muffle noise. Some action plans such as procurement of seeds, plant of trees, maintain of trees and create of report for chines bamboo, acid, fir, flamboyant, switenia mahagony and walnut tree. Procurement and planting will doing in July to September 2017. • Intern memo no.APK/Int/371A/2017 dated on 31 July 2017 from human resource assistant to Sei Putih estate manager regarding procurement of seeds and it has approved by Sei Putih estate manager based on disposition sheet from Sei Putih estate manager. • Procurement of seed plan is July to August 2017 • Map of planting location • Photograph of planting acid trees, chines bamboo trees, fil trees, switenia mahagony trees. • Photograph of some type of trees before planted 	Closed
17.	6.1.3	RSPO0 1215	no action plan was prepared by Rambutan POM, subsequent to the meeting with stakeholders on 20 November 2016 namely Head of Sei Priuk village, Head of Sei Serimah village, and Head of Sei Belutu village	9 August 2017	The company have correction action plan in the form of creating action plan for social impact management year 2017 with invloving stakeholders. The company has carried out follow-up discussion of social impact assessment (previous meeting plan on 20 November 2016) dated on 03 August 2017 with participant representative from Sei Belutu village, Sei Serimah village, Sei Priok village, and Rambutan estate/POM. Evidence of follow-up discussion of social impact assessment is invitation letter from Rambutan estate/POM and their receipt, photograph and attendant list. The company has provided action plan for social impact management year 2017 in Rambutan estate/POM based on participatory with stake-	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					holder. Detail of action plan are provide of clean water facilities in the form of the construct of drilled wells in Sei Sarimah village, repair of Sei Periuk road along 500 m in Sei Periuk village, construct of mosque fence in Sei Belutu village and providing assistance in the form of lending of heavy equipment in Sei Simujur village. The company has provided support documents as proposals and letters from stakeholder. The company have corrective action plan in form of creating action plan by participatory with community and or stakeholder involvement and reviewing minimum 2 years	
18.	6.4.2	RSPO01217	- all Estates and Palm Oil Mill under this audit, the procedure for calculating and distributing fair compensation is available, but it was not established, implemented, monitored and evaluated in a participatory way, and implemented at the head office of PTPN III in Medan	9 August 2017	The company has provided work instruction no.IK-3.17-05/04 rev.01 regarding right release and work procedure no.PK-3.18-17 rev.01 regarding solving for occupation areas problem. Those procedure was available in intranet of company (online) and it has implemented for some claim/occupation issues refer to explanation of indicator 2.2.3 above and has evaluated by company and claimer/occupation party at time solving process regarding occupation or claim issues.	Closed
19.	6.5.1	RSPO01218	Maintenance activities (chemist & manual) has carried out by third party or sub-contractor and agreement was available example in Gunung Monaco and Sei Putih estate but the estate or company has not been shown evidence that third party/sub-contractor has complied with several work requirement appropriate man power regulation and clause on agreement relate of PPE (providing & using), covered by accident insurance and medical care and wage	9 August 2017	The company has provided evidence of correction action as below : <u>Gunung Monaco estate</u> <ul style="list-style-type: none"> Intern memo dated on 10 August 2017 (no. KGMNO/Int/29/2017 from head of division of III, no. KGMNO/Int/91/2017 from head of division of IV, no. KGMNO/Int/83/2017 from head of division of I and no. KGMNO/Int/91/2017 from head of division of II) has informed that CV Taruna has not been register of health insurance (BPJS Kesehatan) for 10 employees in Division of III & 6 employees in Division of IV and CV Haris Mandiri has not been register of health insurance 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			to worker		<p>(BPJS Kesehatan) for 3 employees in Division of I & 5 employees in Division of II.</p> <ul style="list-style-type: none"> • Memorandum no.KGMNO/3.09/MO/262/2017 dated on 11 August 2017 from Gunung Monaco estate manager to head of plantation – PTPN III regarding compliance of health insurance (BPJS Kesehatan) for sub-contractor's employees. It has informed that CV Haris Mandiri has not been registered of health insurance (BPJS Kesehatan) for their employee amount of 8 persons (division of I and II) and CV Taruna amount of 16 persons (division of III and IV). • The result of vendor performance evaluation or reprimand letter by PTPN III for CV Haris Mandiri (letter no. 3.09/X/141/2017 dated on 14 August 2017) and CV Taruna (3.09/X/140/2017 dated on 14 August 2017). If next time not shows improved performance then PTPN III will provide strict sanction so that it can hurt vendor. • The list of PPE submission to sub-contractor employee in division of II – Gunung Monaco estate for maintenance employees and their supervisor dated on 18 June 2017. Type of PPE was hand over are glasses, gloves, mask and helmet. • Photograph of accident insurance (BPJS Ketenagakerjaan) for subcontractor's employees (CV Haris Mandiri and CV Taruna) and health insurance (BPJS Kesehatan) for 6 subcontractor's employees (CV Taruna). • Calculation method for wage of sub-contractor employee (compare of wage between condition in field and contract/agreement based on minimum wage). Baseline of calculation is performance : 124 trees/day/employee, total of tree per ha : 124 trees/ha, and duration of work for sub-contractor employee for 4 hours/day so that wage of sub-contractor employee has complied with minimum wage. • List of employee wage per employee from sub contractor (CV Haris Mandiri & CV Taruna) • Head of division of II has carried out investigation of 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>sub-contractor employee wage for maintenance activity. The result of investigation relate of the employee wage per day has complied minimum wage. The investigation result has signed by each employee in beside their nominal of wage.</p> <ul style="list-style-type: none"> Statement letter from sub contractor employee that they are correct to receive wage based on work performance or not working hour basis and the amount written on statement letter is correct and it is same with those received by them. Stement letter was signed by subcontractor company (CV Haris Mandiri & CV Taruna) as payer party. Attendent list on April to July 2017 on behalf some subcontractor's employees (CV Haris Mandiri & CV Taruna) and amount of wage for April to July 2017. <p>Sei Putih estate</p> <ul style="list-style-type: none"> Based on plantation activity period of January to July 2017 that Sei Putih estate not using subcontractor's employee so that no evidence about issues it. 	
20.	6.13.1	RSPO0 1220	Sei Putih estate has done socialization of Company's Sustainable Oil Palm Policy but content of presentation not include items of law regarding human right	9 August 2017	Sei Putih estate has provided the content of presentation about dissemination of law no.39 year 1999 regarding human right with 147 participants. Evidence of correction action is presentation material, photograph and attendant list for re-dessimination of company's sustainable oil palm about human right specially dated on 16 January 2017.	Closed
21.	7.3.1	RSPO0 1221	Tanah Raja estate, Gunung Monaco estate, Sarang Ginting estate and Silau Dunia estate have year of planting > November 2005 but they are not showed satellite imagenery and LUCA which it can ensure no lossing HCV areas or replace virgin forest areas.	9 August 2017	<p>The company has provided land use change analysis (LUCA) report year 2017 and cover crop with satelite imagenery (Landsat 5) on behalf Gunung Monaco estate, Silau Dunia estate, Sarang Ginting estate and Tanah Raja estate. The company cooperating with third party (Koompasia Enviro Institute) to create of LUCA report above. The summary of LUCA report for 4 estates based on satelite imagery analysis year 2004, 2007, 2009 and 2011 is :</p> <ul style="list-style-type: none"> The land cover before year 2005 in Silau Dunia estate, Gunung Monaco estate, Sarang Ginting estate and 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>Tanah Raja estate is virgin forest areas, secunder forest areas and agroforestry with multispecies areas was not available so that plantation areas not categorized in remediation and compensation program.</p> <ul style="list-style-type: none"> Land cover before year 2005 in Tanah Raja, Sarang Ginting, Gunung Monaco estate is rubber (not available in Gunung Monaco & Silau Dunia estate) & oil palm plantation which can be analogy is monoculture and non-tree plantation; other land that is degraded openly, constructed or cultivated by permanently have coefficeint of 0. Land cover of HCV areas (riparian) in Tanah Raja, Sarang Ginting, Gunung Monaco & Silau Dunia estate was planted with rubber tree, oil palm tree and scrub. The company have effort to manage appropriate with recommendation of identification of HCV report. 	
22.	E.5.1	RSPO0 1222	<ul style="list-style-type: none"> Rambutan Mill have CPO mass balance report (certified & non-certified) with content of the receiving FFB, processing FFB, CPO production, CPO delivery and CPO stock period of year 2016 & 2017 but it is not three monthly basis Volume of CSPO dispatch from mill to PT SAN Belawan different with volume of CSPO receipt in PT SAN Belawan so that it will impact to stock of CSPO in mill too PK mass balance report (certified & non-certified) period of 2016 was not available and volume of CSPK dispatch to KCP of Sei Mangke on delivery record different with volume of CSPK sold on palm trace 	9 August 2017	<ul style="list-style-type: none"> Rambutan POM has provided CPO & PK mass balance report (certified & non-certified) period of January to June 2017 with three monthly basis (1st quarter is January to March 2017 & 2nd quarter is April to June 2017). Volume of FFB processed, CPO & PK production and CPO & PK dispatch with certified status in 1st quarter is 28,216.17 mt, 6,153.57 mt, 1,339.23 mt, 6,153.57 mt and 1,339.23 mt. Whereas, 2nd quarter is 27,941.29 mt, 6,157.65 mt, 1,123.34 mt, 6,008.98 mt and 1,150.20 mt. The company has provided CSPO mass balance report and detail of CSPO dispatch transaction period of January to April 2017 where information of volume of CSPO dispatch from Rambutan POM to PT SAN – Belawan as same volume of CSPO receipt in PT SAN – Belawan based on working sheet reconsilitation of CPO dispatch. Volume of CSPO dispatch and CSPO receipt on January 2017 is 1,699.96 mt with three order number (3.11/MS/01/KRBTN/SAN/2017 to 3.11/MS/03/KRBTN/SAN/2017), on February 2017 is 1,750.47 mt with five order number 	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>(3.11/MS/01/KRBTN/SPMKP/SAN/2017 to 3.11/MS/03/KRBTN/SPMKP/SAN/2017 and 3.11/MS/04/KRBTN/SAN/2017 to 3.11/MS/05/KRBTN/SAN/2017), on March 2017 is 1,419.29 mt with three order number (3.11/MS/06/KRBTN/SAN/2017 to 3.11/MS/08/KRBTN/SAN/2017) and on April 2017 is 1,589.57 mt with three order number (3.11/MS/08/KRBTN/SAN/2017 to 3.11/MS/10/KRBTN/SAN/2017). Root cause of the different volume in CSPO dispatch from Rambutan POM with CSPO receipt in PT SAN – Belawan are PT SAN – Belawan was not written amount of 70 kg appropriate with delivery note no.0034/B in January 2017 and delivery of products in the transition period between the months so that there is a different volume of CSPO dispatch and CSPO receipt because the product still travelling to PT SAN – Belawan as example February to April 2017 (February 2017 : 90.41 ton with delivery note no. 0240 to 0242, March 2017 : 49.53 ton with delivery note no. 384 & 385) .</p> <ul style="list-style-type: none"> Rambutan POM has provided PK mass balance report (certified & non-certified) period of year 2016 with three monthly basis (1st quarter to 4th quarter). Volume of certified raw material and product year 2016 is FFB process : 116,731.92 mt, CSPO production : 26,730.83 mt, CSPK production : 5,813.95 mt, CSPO dispatch : 26,730.83 mt and CSPK dispatch : 5,813.95 mt. Whereas, volume of non-certified raw material and product year 2016 is FFB process : 65,816.73 mt, CPO production : 15,063.93 mt, PK production : 3,334.93 mt, CPO dispatch : 14,998.07 mt and PK dispatch : 3,290.94 mt. Volume of CSPK dispatch to KCP of Sei Mangke on delivery record was same with volume of CSPK sold on palm trace i.e 1,335 mt (period of January to May 2017) so that there is revision of delivery note where the rest being non-certified product or raw material amount of 777,50 mt (2,931.44 mt (PK dis- 	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					patch) - 1,335.00 mt (CSPK sold in palm trace)).	

6.3.2. Minor non-conformities

It is recommended by the lead auditor to award the system of the company a certificate pursuant to the above-mentioned RSPO standards. The non-conformities identified shall be audited again in line with the timeframe during the next surveillance audit

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
1.	2.1.3	RSPO0 1195	The procedure (PK.3-18-01) is not mentioned the evaluation mechanism used in all object audit	5 June 2018	<p>The company have correction action plan is doing revision of PK 3.18-01 relate of the mechanism of evaluation of law and regulation which used.</p> <p>The company has provided work procedure of identification and evaluation and compilation of law and regulation (PK-3.08-18 rev.02) where it has informed mechanism of evaluation of law and regulation which used.</p> <p>The company have corrective action plan is review of work procedure every 1 year appropriate with principle and criterion of RSPO.</p>	Closed
2.	2.1.4	RSPO0 1196	The procedure (PK.3-18-01) not mention the mechanism of tracking regulatory changes, who's responsible, the source of the information and how many times it was done in all object audit	5 June 2018	<p>The company have correction action plan is doing revision of PK 3.18-01 relate of the mechanism of tracking regulatory changes, who's responsible, the source of the information and duration of tracking activities.</p> <p>The company has provided work procedure of identification and evaluation and compilation of law and regulation (PK-3.08-18 rev.02) where it has informed mechanism of and tracking regulatory changes, who's responsible, the source of the information and how many times it was done</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>in all object audit.</p> <p>The company have corrective action plan is review of work procedure every 1 year appropriate with principle and criterion of RSPO.</p>	
3.	2.2.2	RSPO01197	<p>No effort for maintenance and change the pillar as example :</p> <ul style="list-style-type: none"> - Silau Dunia estate that based on monitoring record was identified 368 unit, with 315 unit in good condition,14 unit broken and 39 unit missed - Sei Putih estate that based on monitoring record at Division 3 was identified 92 unit, with 87 unit in good condition (example additional boundary pillar no.12-b) and 5 unit missed 	5 June 2018	<p>Silau Dunia and Sei Putih estate have correction action plan is doing repair or change of boundary stones.</p> <p>The Sei Putih estate has carried out repair of boundary stone amount of 5 units in block G-VI in Division of II, block E-XII in Division I, block Q-XI in Division of IV, block N-1 in Division of II and block O-1 in division of II. Evidence of correction action is photograph of repair activities include of boundary stone condition before repaired and statement letter no. KSPTH/BA/03A/2017 dated on 22 June 2017 about repair of boundary stone activities in Sei Putih estate. Whereas, 11 units will reconstruction again after budget get approval from head of district because it has not allocated in annual budget and operational plan year 2017. Re-construction will doing on October 2017.</p> <p>Whereas, Silau Dunia estate has requested budget of the construct of boundary stone amount of 11 boundary stones to Head of District dated on 29 July 2017. Silau Dunia estate has provided maintenance of boundary stone program where repair of boundary stone broken and change of boundary stone missed activities starting from August to December 2017 and maintain and inspection activities doing every June and December 2017.</p> <p>Whereas, corrective action plan is the result of boundary stone monitoring shall folowed-up by estate management and create of program re-</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					late of reinstalment and change of boundary stone accordance PK-3.18-10.	
4.	4.5.2	RSPO0 1224	The last IPM training at Sei Putih Estate is year 2012 so that Sei Putih has not done the latest IPM training	5 June 2018	<p>Sei Putih estate have correction action plan is carry out IPM handling training/redissemination to pest and disease persons/employees and re-appoint IPM team in Sei Putih estate.</p> <p>Sei Putih estate has carried out IPM handling training/dissemination dated on 5 July 2017 with participant is maintenance employees (Sudar-madji and Mansen Barus) and reappoint of IPM team in Sei Putih estate by Sei Putih estate manager dated on 6 July 2017. Evidence of training was available such as intern memo, attendant list, photograph, minute of training and presentation metarial.</p> <p>Whereas, corrective action plan is create of IPM training every year</p>	Closed
5.	4.6.4	RSPO0 1202	Based on interview with person in-charge on agrochemical store in estate and division of III-Sei Putih and Gunung Monaco estate that they are not understand the category of agrochemical for agrochemical stock in warehouse and or have been used as categorized in class 1a or 1B by WHO, or those are listed in the stockholm and rotterdam convention or not	5 June 2018	<p>Sei Puth and Gunung Monaco estate have correction action plan in the form of 1). Dessimination regarding list of avoid agrochemical refer to WHO and stockholm or rotterdam convension to all employees which handling agrochemical and 2). putting the list of avoid agrochemical in agrochemical warehouse.</p> <p>Whereas, corrective action plan is redessimination of avoid agrochemical for person in-charge on agrochemical store/warehouse (new and old employees) and ensuring the list of avoid agrochemical still available.</p>	Closed
6.	4.6.9	RSPO0 1205	Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling except in Sei Putih estate because record of handling of	5 June 2018	The company have correction action plan in the form of carry out training of using and keeping agrochemical to employees and intern memo for training, presentation material, attendant list and photograph will be documented.	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion	
			agrochemical and storage pesticide training to sprayer who application year 2016 and or 2017 not available		Sei Putih estate manager has issued intern memo to head of division (no.KSPTH/Int/67/2017 dated on 15 July 2017) regarding redessimination of using and keeping agrochemical and the list of avoid agrochemical by WHO. Evidence of redessimination activities are notulen, attendant list (date on 17 July 2017 and participants from warehouse officer, head of division of III, maintenance employee, supervisor of maintenance activity and officer (L.A. Sihombing, M.Nasir, Ikeyadi, Safri, Edi Sarjaya, Miswah, Nikes Nora & Suratman), photograph, presentation material, the list of avoid agrochemical by WHO and some informations in label which it will put on agrochemical container. Futhermore, division of III estate has carried out redessimination of weed control dated on 23 June 2017 with participants are supervisor of maintenance and maintenance employees (Miswah, Satri, Edi S, Sarman, Takodi, Junaidi & P. Sihombing). Document control clerk will keeping all documents and records relate of training by consistently.		
7.	4.7.5	RSPO01210	Gunung Monaco estate and or estate clinic is not inventoring or checking completeness of item/content and quantity first aid equipment (bag or box) per first aid type accordance with regulation amount of 13 boxes or bags (8 pcs with category A and 5 pcs with category B) period of January to May 2017 because auditor has found firs aid equipment in spraying supervisor's bag not complete.	5 June 2018	The company have correction action plan in the form of inventory of completeness the first aid box contents during the general inspection of the 2 nd quarter of year 2017. Head of division of III has requested first aid content distribution to Monaco estate manager dated on 22 June 2017 and their attachment is list of the first aid content refer to Man Power regulation no.15/MEN/VIII/2008. The Monaco estate (health section) has carried out first aid content inspection dated on 11 July 2017 (period of 2 nd week – July 2017) and their result is	Closed	

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					<p>complete appropriate regulation. Whereas, shedule/programme of first aid content inspection year 2017 is every 2 month each division (division of I : 4th week in July, 1st week in September and 1st week in November; division of II : 2nd week in August, 2nd week in October and 2nd week in December; division of III : 2nd week in July, 3rd week in September, 3rd week in November; and division of IV : 4th week in August, 4th week in October & 4th week in December).</p> <p>The company have corrective action plan in the form of inventory of the first aid box content by consistantly appropriate with time schedule (quarterly) and form which used (FM-3.16-06/05).</p>	
8.	4.7.6	RSPO01211	Sub-contractor's worker/employee for manual maintenance activities at division of V and for cutting rubber trees at division of II not covered medical care and accident insurance because company or estate has not been carried out ensuring to third party that they has complied/fulfilled one of their obligations in agreement clause relate of OSH	5 June 2018	<p>The company have correction action plan in the form of evaluating complaince of clause on work agreement relate of OSH aspect which documented.</p> <p>Tanah Raja estate has provided work agreement (SPK) no. 3.09/SPK/470/2017 dated on 10 March 2017 (between PT Perkebunan Nusantara III and CV Putra Mulia Mandiri) regarding maintenance of mature in division of V – Semester I year 2017. Responsible of work implementation is estate manager and supervision of the work implementation is manager district in Serdang II District where it has stated on section 1.5.2. Whereas, one of contractor com[pany liability is responsible for the work safety for workers in accordance with applicable laws and regulations and shall complaince to law in man power sector in law no. 13 year 2003 (including law no.24 year 2011 regarding employee insurance). Evidence of correction action is some health insurance (BPJS Kesehatan) card on behalf 6 employees</p>	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
					(Muktarruddin Sinaga, Tumian, Suyanto, Nuri-anto and Junianto) and the result of using PPE inspection to sub-contractor employees (fertilizing and spraying) from CV Matras and CV Putra Mulia mandiri which checked by division supervisor & acknowledged by head of division. The company have corrective action plan in the form of inspection to field by supervisor of contractor company relate of using PPE by employee contractor.	
9.	5.3.3	RSPO0 1214	Implementation/handle of domestic waste in field still be inconsistency as example domestic waste not managed refer to company's procedure at some locations in emplasment near division of III office-Gunung Monaco estate, Tagur Baru emplasment at division of III-Sei Putih estate and Liberia emplasment at division of V-Tanah Raja estate	5 June 2018	The company have correction action plan in the form of controlling and managing domestic waste appropriate with PK-3.16-14 poin 4.1.3.6 and re-dessimination of PK-3.16-14 poin 4.1.3.6 to all employee and their family in all divisions. The company have corrective action plan in the form of inspection regularly by head of division.	Closed
10.	6.1.4	RSPO0 1216	Additionally, the Action Plan for Rambutan Palm Oil Mill was last prepared on 24 April 2013, and has not been updated since then	5 June 2018	The company have correction action plan in the form of creating action plan for social impact management year 2017. The Rambutan POM has provided long term plan for social impact assessment and their realization (period of 2012 to 2017) with the scope of territory is lalang village, Tanjung Manulak Hilir village, Paya Bagas village and POM employees. The company have corrective action plan in form of creating action plan by participatory with community and or stakeholder involvement and reviewing minimum 2 years	Closed
11.	6.5.3	RSPO0 1219	The company has not adequate housing for Mr Poniran & Mrs Sania (harvesting rubber -afd 1), Mr Hendi Gunawan-Mrs Isna (harvest-	5 June 2018	The company have correction action plan in the form of repairing employee's house by gradually	Closed

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North Sumatera-

No.	Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
			<p>ing oil palm – afd 5) and Mr Ahmad Husain – Mrs Lisnawati (harvesting rubber – afd 1) and Mr Poniran – Mrs Sania and Mr Hendi Gunawan – Mrs Isna’s toilet condition not adequate where it is separate with their house. Location sample in Liberia em- plasment</p>		<p>accordance with budget.</p> <p>The company has provided evidence of employee’s house renovation as example :</p> <ul style="list-style-type: none"> • Photograph of repairing roof (condition of before & after repairing) and develop of toilet inside on their home behalf Mr Poniran & Mrs Sania. Photograph of material will used to repairing and their purchase slip. • Relocation of Mr Hendi Gunawan and Mrs Isna stay to a habitable home. • Photograph of a leaky roof replacement (condition of before & after renovation) on behalf Mr Ahmad Husain & Mrs Lisnawati’s house. <p>The company have corrective action plan in the form of inventoring employee’s house condition which need repairing.</p>	

6.4 Noteworthy Positive Components and Potential for Improvement

Positive Observation:

No.	Indicator	Positive Comments
1	-	Stronge of commitment in all management level and employee which involve in audit process and quick response in order to provide document.
2	-	There is active participation of IKBI with their gender committee member in order carry out awarness programme regarding sexual harrassment, domestic violence and women's reproductive right.

Potential for Improvement:

No.	Indicator	Potential for improvement
1	2.1.1	List of regulation & law has printed and distributed covering all clauses on regula-tion & law relevant and was referred by mill and estate
2	4.4.1 & 4.4.2	Material of boundary stone as boundary sign on riparian areas (Sei Putih estate) can be refer to HCV management and monitoring procedure
3	4.6.5	Translating MSDS to Indonesian language so that can understand by clerk of warehouse/store, maintenance supervisor and warehouse/store officer in estate and can be referred as reference
4	4.7.2	Evaluation of hazard shall add risk of hazard from highway operation which across in Tanah Raja estate areas
5	5.1	Some activities in environment management plan was implemented by Sei Putih estate shall descript in environment management & monitoring report every se-mester.
6	5.3.3	Seperating domestic waste and recycle activities must be improved
7	6.2.1	Communication anf consultation procedure has created by company can be collaboration to update stakeholder
8	6.2.2	Responsible of person in charge (PiC) of consultation and communication to community in estate shall increased scope of work inlcude of Rambutan POM
9	6.5.1	Consistent and independent to evaluation performance vendor specially relate of wage, PPE and insurance
10	6.13.1	Re-dessimnatioin of human right refer to law no.39 year 1999 to all employees in unung Monaco estate (exclude of securrity worker) with target of participant

6.5 Issues Raised by Stakeholders and Findings Pertaining to Issues

A) Issues Raised during Stakeholder Consultation Meeting

No.	Issues Raised	Management Response	Audit Verification

B) Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Audit Verification
1	Sub contractor employee not using PPE and covered by accident insurance and health service	Refer to explanation above that it is real condition and it has car-ried correction action by company

6.6 Recommendation for Certification

PT Perkebunan Nusantara III – Rambutan POM has established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company's practices complies with, adequately maintains and implements the requirements of RSPO Principles and Criteria [NI-INA].

PT TUV Rheinland Indonesia recommends that PT Perkebunan Nusantara III – Rambutan POM be approved as a producer of RSPO Certified Sustainable Palm Oil.

6.7 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from PT Perkebunan Nusantara III – Rambutan POM and its supply base, which includes Gunung Monaco estate, Sei Putih estate, Sarang Ginting estate, Tanah Raja estate and Silau Dunia estate . The first date of certificate issued is 1 September 2016 with RSPO certificate no.824 502 16042. Further details of the certificate are as per **Appendix 1**.

6.8 Other Achievement s and Certificatio Helds

Name of mill / es-tate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved

6.9 Date of Next Surveillance Visit

The next surveillance visit is planned for June 2018.


6.10 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Perkebunan Nusantara III 

Name: 
 Position: **AHMAD DIPONEGORO**
 Date: **Kepala Bagian**

Signed on behalf of PT TUV Rheinland Indonesia



 Hendra Fachrurozy
 Lead Auditor
 Date : 23 August 2017

APPENDICES

Appendix 1: Details of Certificate

Certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July,2016 and RSPO Supply Chain Certification System: November 2014**

Certificate Registr. No. : 824 502 16041

Certificate Holder : **PT TUV Rheinland Indonesia certifies :**
PT Perkebunan Nusantara III (Persero)
Rambutan Palm Oil Mill
Paya Bagas Village, Tebing Tinggi Subdistrict,
Serdang Bedagai District - 20600,
North Sumatera Province, Indonesia;



and its company owned estates according to the annex

RSPO number : -
Scope : **Palm Oil Production and Plantation Management System**

An audit was performed, Report No. ASA1-16041. Proof has been furnished that the requirements according to Indonesian National Interpretation of RSPO Principles and Criteria for the Production of Sustainable Palm Oil and RSPO Supply Chain Certification System November 2014 are fulfilled.

Validity: The due date for all future surveillance audits is 01.07 (dd.mm).
The certificate is valid from 01 September 2016 until 31 Agustus 2021.

The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company* : **PT Perkebunan Nusantara III**
(RSPO Member No. : 1-0030-06-000-00)

* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : September 01, 2016



Indonesia, 30-11-2017

PT TUV Rheinland Indonesia
Director

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

www.tuv.com


asi
accreditation services
international
RSPO-ACC-013



 TÜVRheinland®
Precisely Right.

Annex to certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification System: November 2014**

Certificate Registr. No.: 824 502 16041

Location: **PT Perkebunan Nusantara III (Persero)**
 Address : **Rambutan Palm Oil Mill**
 Paya Bagas Village, Tebing Tinggi Subdistrict,
 Serdang Bedagai District - 20600,
 North Sumatera Province, Indonesia

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Rambutan Mill	Paya Bagas Village, Tebing Tinggi Subdistrict, Serdang Bedagai District, North Sumatera Province, Indonesia	03° 22' 36"N	99° 09' 56"E
Tanah Raja Estate	Tanah Raja Village, Teluk Mengkudu Subdistrict, Serdang Bedagai District, North Sumatera Province, Indonesia	03° 32' 03"N	99° 02' 50"E
Gunung Monako Estate	Sibarau Village, Sipispis Subdistrict, Serdang Bedagai District, North Sumatera Province, Indonesia	03° 13' 31"N	98° 59' 60"E
Silau Dunia Estate	Silau Badar – I Village, Dolok Masihul Subdistrict, Serdang Bedagai District; Silau Dunia Village, Silau Kahaen Subdistrict, Simalungun District; Ujung Negeri Hulu Village, Kotarih Subdistrict, Deli Serdang District, North Sumatera Province, Indonesia	03° 17' 00"N	98° 57' 16,2"E
Sarang Giting Estate	Sarang Giting Village, Dolok Masihul Subdistrict, Serdang Bedagai District; Serbajadi Village, Serbajadi Subdistrict, Serdang Bedagai District, North Sumatera Province, Indonesia	03° 20' 33"N	98° 58' 35"E
Sei Putih Estate	Sungai Putih Village, Galang Subdistrict, Deli Serdang District, North Sumatera Province, Indonesia	03° 24' 35"N	98° 52' 58"E

CPO Tonnage Total Production: **48,982.34 tonnes**
 PK Tonnage Total Production: **9,812.66 tonnes**
 Company Estates FFB Tonnages: **121,909.00 tonnes**
 FFB Tonnages from other sources: **81,651.60 tonnes**
 CPO Tonnage claimed for certification: **29,342.32 tonnes**
 PK Tonnage claimed for certification: **5,973.37 tonnes**

Scope of SCCS & supply chain model assessed : FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :
 Identity Preserved
 Mass Balance

Indonesia, 30-11-2017


 PT TUV Rheinland Indonesia
 Director

Issued by PT TUV Rheinland Indonesia

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Appendix 2: Certification Audit Plan

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
Monday, 5 June 2017				
05.35 – 08.00	Flight Jakarta – Kuala Namu	AS, HF	-	GA 180 (05.35 – 08.00) First Flight to KNO
07.35 – 07.35	Flight Kuala Lumpur – Kuala Namu	YN, RY		AK 391
08.30 – 10.00	Travelling Kualanamu – Tanah Raja Estate	AS, YN, RY		
08.30 – 10.00	Travelling Kualanamu – Belawan	HF		PT SAN - Belawan
Tanah Raja Estate 10.00-10.30	Opening Meeting	AS, YN, RY	Top Management & Related Manager	
10.00 – 11.00	Opening Meeting & Verifikasi SCCS di PT SAN	HF	Related Manager & Staffs	
11.00 – 12.00	Travelling Belawan – Head of PTPN III office	HF		
12.00 – 13.00	Verification & interview in head office	HF	<ul style="list-style-type: none"> • Commercil unit/section • Plantation unit/section • Law/regulation unit/section 	
13.00 – 15.00	Travelling to Tanah Raja Estate	HF		
Tanah Raja Estate 15.00 – 17.00	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Legal complaince ○ Long term economic ○ Agrochemical ○ Enviromental issue ○ HCV ○ GHG ○ Continues improvement ○ New planting (if any) ○ Partial certification and time bound plan 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 7 Indicator 7.1; 7.3; 7.8 Criterion 8 Indicator 8.1 Certification system
Tanah Raja Estate 10.30 – 17.00	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Transparancy & code of conduct ○ Legal compliance ○ Erosion management ○ OSH ○ Training ○ Waste ○ Zero Burning ○ New planting (if any) ○ Continues improvement 	YN	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.3; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.5 Criterion 7 Indicator 7.2 Criterion 8 Indicator 8.1
Tanah Raja Estate 10.30 – 17.00	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Legal land 	AS	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 to 2.1.4 ; 2.2.1, 2.2.2

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
	<ul style="list-style-type: none"> ○ Best practice ○ Soil Fertility ○ Water management plan ○ Integrated Pest Management ○ Efficiency energy ○ New planting (if any) ○ Continuous improvement 			Criterion 4 Indicator 4.1, 4.2, 4.4, 4.5; Criterion 5 Indicator 5.4; Criterion 7 Indicator 7.4 Criterion 8 Indicator 8.1
Tanah Raja Estate 10.30 – 17.00	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Land dispute ○ Social issues ○ New planting (if any) ○ Continuous improvement 	RY	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1; 2.2.3 to 2.2.6; 2.3 Criterion 6 Indicator 6.1 to 6.13 Criterion 7 Indicator 7.5; 7.6 Criterion 8 Indicator 8.1
Tuesday, 6 June 2017				
Tanah Raja Estate 08.00 – 17.00	<ul style="list-style-type: none"> ● Verification document & field : <ul style="list-style-type: none"> ○ Legal compliance ○ Long term economic ○ Agrochemical ○ Environmental issue ○ HCV ○ GHG ○ Continues improvement ○ New planting (if any) ○ Partial certification and time bound plan 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 7 Indicator 7.1; 7.3; 7.8 Criterion 8 Indicator 8.1 Certification system
Tanah Raja Estate 08.00 – 17.00	<ul style="list-style-type: none"> ● Verification document & field : <ul style="list-style-type: none"> ○ Transparency & code of conduct ○ Legal compliance ○ Erosion management ○ OSH ○ Training ○ Waste ○ Zero Burning ○ New planting (if any) ○ Continues improvement 	YN	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.3; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.5 Criterion 7 Indicator 7.2 Criterion 8 Indicator 8.1
Tanah Raja Estate 08.00 – 17.00	<ul style="list-style-type: none"> ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Legal land ○ Best practice ○ Soil Fertility ○ Water management plan ○ Integrated Pest Management ○ Efficiency energy ○ New planting (if any) ○ Continuous improvement 	AS	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 to 2.1.4 ; 2.2.1, 2.2.2 Criterion 4 Indicator 4.1, 4.2, 4.4, 4.5; Criterion 5 Indicator 5.4; Criterion 7 Indicator 7.4 Criterion 8 Indicator 8.1
Tanah Raja Estate	<ul style="list-style-type: none"> ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance 	RY	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1; 2.2.3 to 2.2.6; 2.3

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
08.00 – 17.00	<ul style="list-style-type: none"> ○ Land dispute ○ Social issues ○ New planting (if any) ○ Continuous improvement 			Criterion 6 Indicator 6.1 to 6.13 Criterion 7 Indicator 7.5; 7.6 Criterion 8 Indicator 8.1
17.00 – 17.15	Presenting the temporary results	All Auditor		
17.15 -	Travelling to mess near Gunung Monaco estate and Silau Dunia Estate			
Wednesday, 7 June 2017				
08.00 – 17.00 Gunung Monaco Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field : <ul style="list-style-type: none"> ○ Legal compliance ○ Long term economic ○ Agrochemical ○ Environmental issue ○ HCV ○ GHG ○ Continues improvement ○ New planting (if any) ○ Partial certification and time bound plan 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 7 Indicator 7.1; 7.3; 7.8 Criterion 8 Indicator 8.1 Certification system
08.00 – 17.00 Gunung Monaco Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field : <ul style="list-style-type: none"> ○ Transparency & code of conduct ○ Legal compliance ○ Erosion management ○ OSH ○ Training ○ Waste ○ Zero Burning ○ New planting (if any) ○ Continues improvement 	YN	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.3; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.5 Criterion 7 Indicator 7.2 Criterion 8 Indicator 8.1
08.00 – 17.00 Silau Dunia Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Legal land ○ Best practice ○ Soil Fertility ○ Water management plan ○ Integrated Pest Management ○ Efficiency energy ○ New planting (if any) ○ Continuous improvement 	AS	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 to 2.1.4 ; 2.2.1, 2.2.2 Criterion 4 Indicator 4.1, 4.2, 4.4, 4.5; Criterion 5 Indicator 5.4; Criterion 7 Indicator 7.4 Criterion 8 Indicator 8.1
08.00 – 17.00 Silau Dunia Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Land dispute ○ Social issues ○ New planting (if any) 	RY	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1; 2.2.3 to 2.2.6; 2.3 Criterion 6 Indicator 6.1 to 6.13 Criterion 7 Indicator 7.5; 7.6 Criterion 8

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
	<ul style="list-style-type: none"> ○ Continuous improvement 			Indicator 8.1
Thursday, 8 June 2017				
08.00 – 17.00 Gunung Monaco Estate	<ul style="list-style-type: none"> ● Verification document & field : <ul style="list-style-type: none"> ○ Legal compliance ○ Long term economic ○ Agrochemical ○ Environmental issue ○ HCV ○ GHG ○ Continues improvement ○ New planting (if any) ○ Partial certification and time bound plan 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 7 Indicator 7.1; 7.3; 7.8 Criterion 8 Indicator 8.1 Certification system
08.00 – 17.00 Gunung Monaco Estate	<ul style="list-style-type: none"> ● Verification document & field : <ul style="list-style-type: none"> ○ Transparency & code of conduct ○ Legal compliance ○ Erosion management ○ OSH ○ Training ○ Waste ○ Zero Burning ○ New planting (if any) ○ Continues improvement 	YN	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.3; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.5 Criterion 7 Indicator 7.2 Criterion 8 Indicator 8.1
08.00 – 17.00 Silau Dunia Estate	<ul style="list-style-type: none"> ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Legal land ○ Best practice ○ Soil Fertility ○ Water management plan ○ Integrated Pest Management ○ Efficiency energy ○ New planting (if any) ○ Continuous improvement 	AS	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 to 2.1.4 ; 2.2.1, 2.2.2 Criterion 4 Indicator 4.1, 4.2, 4.4, 4.5; Criterion 5 Indicator 5.4; Criterion 7 Indicator 7.4 Criterion 8 Indicator 8.1
08.00 – 17.00 Silau Dunia Estate	<ul style="list-style-type: none"> ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Land dispute ○ Social issues ○ New planting (if any) ○ Continuous improvement 	RY	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1; 2.2.3 to 2.2.6; 2.3 Criterion 6 Indicator 6.1 to 6.13 Criterion 7 Indicator 7.5; 7.6 Criterion 8 Indicator 8.1
17.00 – 17.15	Presenting the temporary results	All Auditor		
17.15 -	Travelling to mess near Sei Putih and Sarang Ginting Estate			
Friday, 9 June 2017				
08.00 – 17.00 Sei Putih	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field : <ul style="list-style-type: none"> ○ Legal compliance 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
Estate	<ul style="list-style-type: none"> ○ Long term economic ○ Agrochemical ○ Environmental issue ○ HCV ○ GHG ○ New planting (if any) ○ Continues improvement ○ Partial certification and time bound plan 			Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 7 Indicator 7.1; 7.3; 7.8 Criterion 8 Indicator 8.1 Certification system
08.00 – 17.00 Sarang Ginting Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field : <ul style="list-style-type: none"> ○ Transparancy & code of conduct ○ Legal compliance ○ Erosion management ○ OSH ○ Training ○ Waste ○ Zero Burning ○ New planting (if any) ○ Continues improvement 	YN	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.3; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.5 Criterion 7 Indicator 7.2; Criterion 8 Indicator 8.1
08.00 – 17.00 Sei Putih Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Legal land ○ Best practice ○ Soil Fertility ○ Water management plan ○ Integrated Pest Management ○ Efficiency energy ○ New planting (if any) ○ Continous improvement 	AS	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1 to 2.1.4 ; 2.2.1, 2.2.2 Criterion 4 Indicator 4.1, 4.2, 4.4, 4.5; Criterion 5 Indicator 5.4; Criterion 7 Indicator 7.4 Criterion 8 Indicator 8.1
08.00 – 17.00 Sarang Ginting Estate	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Land dispute ○ Social issues ○ New Planting (if any) ○ Continous improvement 	RY	Estate Manager and related PIC	Criterion 2 Indicator 2.1.1; 2.2.3 to 2.2.6; 2.3 Criterion 6 Indicator 6.1 to 6.13 Criterion 7 Indicator 7.5; 7.6 Criterion 8 Indicator 8.1
17.00 – 17.15	Presenting the temporary results	All Auditor		
17.15 -	Travelling to mess near Rambutan POM			
Saturday, 9 June 2017				
08.00 – 14.00 Rambutan POM	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field : <ul style="list-style-type: none"> ○ Legal compliance ○ Long term economic ○ Agrochemical ○ Environmental issue ○ HCV ○ GHG ○ Continues improvement 	HF	Mill Manager and related PIC	Criterion 2 Indicator 2.1.1 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 7

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-



Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
	<ul style="list-style-type: none"> ○ New planting (if any) ○ Partial certification and time bound plan 			Indicator 7.1; 7.3; 7.8 Criterion 8 Indicator 8.1 Certification system
08.00 – 14.00 Rambutan POM	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field : <ul style="list-style-type: none"> ○ Transparancy & code of conduct ○ Legal compliance ○ Erosion management ○ OSH ○ Training ○ Waste ○ Zero Burning ○ New planting (if any) ○ Continues improvement 	YN	Mill Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.3; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.5 Criterion 7 Indicator 7.2 Criterion 8 Indicator 8.1
08.00 – 14.00 Rambutan POM	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Legal land ○ Best practice ○ Soil Fertility ○ Water management plan ○ Integrated Pest Management ○ Efficiency energy ○ New planting (if any) ○ Continous improvement 	AS	Mill Manager and related PIC	Criterion 2 Indicator 2.1.1 to 2.1.4 ; 2.2.1, 2.2.2 Criterion 4 Indicator 4.1, 4.2, 4.4, 4.5; Criterion 5 Indicator 5.4; Criterion 7 Indicator 7.4 Criterion 8 Indicator 8.1
08.00 – 14.00 Rambutan POM	<ul style="list-style-type: none"> ● Verification last audit findings ● Verification document & field: <ul style="list-style-type: none"> ○ Law and regulation compliance ○ Land dispute ○ Social issues ○ New planting (if any) ○ Continous improvement 	RY	Mill Manager and related PIC	Criterion 2 Indicator 2.1.1; 2.2.3 to 2.2.6; 2.3 Criterion 6 Indicator 6.1 to 6.13 Criterion 7 Indicator 7.5; 7.6 Criterion 8 Indicator 8.1
14.00 – 14.15	Internal Meeting	All auditor		
14.15 – 15.00	Closing meeting	All Auditor	Top Management & Related Manager	
15.00 – 18.00	Travelling from POM – Kualanamu airport	AS, HF, YN		
15.00-19.00	Travelling from POM to Medan City Hotel	RN		
20.35 – 23.00	Kualanamu airport - Jakarta	AS, HF		GA 195
20.25 – 22.25	Kualanamu airport - Kuala Lumpur	YN,		AK 394
19.00-12 June 2017	Stay in Medan City Hotel	RN		

Appendix 3: List of Abbreviations

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
CPO	Crude Palm Oil
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
HCV	High Conservation Value
IPM	Integrated Pest Management
LTA	Lost Time Accident
MSDS	Material Safety Data Sheets
NGO	Non-Government Organization
NPP	New Planting Procedure
OSH	Occupational Safety & Health
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PTPN	PT Perkebunan Nusantara
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-

Appendix 4: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position	Remarks
Stakeholders Interviewed during Public Consultation Meeting			
1.	-		
Stakeholders Interviewed On-Site			
	Hadisaputra	Tanah raja Estate/Manager	Management
	Wartono	Tanah raja Estate/ Staff of Division III	Management
	Sahnan Purba	Tanah raja Estate/ Foreman	Worker
	Tengku Saindra	Tanah raja Estate/ Harvester	Worker
	Ramidi Simanjuntak	Tanah raja Estate/ Harvest foreman	Worker
	Wagimin	Tanah raja Estate/ Staff	Worker
	Chaerullah	Tanah raja Estate/ supervisor	Management
	Hamdan Syukri	Tanah raja Estate/ Document controller	Worker
	Eka Zulfria Nasution	Tanah raja Estate/assistant of estate manager	Management
	Darwis ISawdi	Management Representatif	Worker
	Catur Adinugroho	Silau Dunia Estate/ Estate asisstant	Management
	Tri wahyudin	Silau Dunia Estate/ Harvester	Worker
	Suheri	Silau Dunia Estate/ Harvest foreman	Worker
	Fits Jauhari	Silau Dunia Estate/ Estate Manager	Management
	Agus Dwi Suharyadi	Silau Dunia Estate/ Estate asisstant	Management
	Heri saputra	Sei Putih Estate/ Harvester	Worker
	Chaerul Rangkuti	Sei Putih Estate/ Harvest foreman	Worker
	Pairin	Sei Putih Estate/ Foreman 1	Worker
	Bunyamin Siregar	Sei Putih Estate/ Assistant Manager	Management
	Edy Prisma Tarigan	Rambutan Mill/ Mill Manager	Management
	Naswan	Rambutan Mill/Grading Worker	Worker
	Rugiman	Putra Mulya Mandiri (contractor) – Tanah Raja	Mandore
	Membot	Weeding – Tanah Raja	Sub-contractor's worker
	Manti	Weeding – Tanah Raja	Sub-contractor's worker
	Agong	Weeding – Tanah Raja	Sub-contractor's worker
	Chemuk	Weeding – Tanah Raja	Sub-contractor's worker
	Yuswanto	Harvester – Tanah Raja	Worker
	Samsul Bahrin	Harvester – Tanah Raja	Worker
	Rani Indahlestari	Housewife – Tanah Raja	Workers' spouse
	Syahn Purba	KADES Sei Serdang	Local community
	Lysdiana	Secretary to KADES	Local community
	Wita Astiana	Staff at KADES Sei Serdang	Local community
	Leny Darmawati	Warong Serba Ada - Tanah Raja Estate	Employee
	Masdapita Bonusipayong	Gender Committee – Tanah Raja Estate	Secretary
	Bina Hidayati	IKBI (Managers' Wives Association) – Silau Dunia Estate	Secretary
	Siswati	IKBI (Managers' Wives Association) – Silau Dunia Estate	Chairperson
	Slamat Triwono	Harvester – Silau Dunia Estate	Worker
	Klana Arifin	Harvester – Silau Dunia Estate	Worker
	Triwahyudin	Harvester – Silau Dunia Estate	Worker
	Suhairi	Harvester – Silau Dunia Estate	Worker
	Widodo Saragi	CV Ganda Jaya	Sub-contractor supplying manpower
	Hj Ismanto	Dusun 6 Hutamelayu – near Silau Dunia Estate	Head of Sub Village

RSPO Surveillance Assessment Report
-PT Perkebunan Nusantara III – Rambutan POM, North
Sumatera-

No.	Name of Stakeholder	Institution / Position	Remarks
	Halimi	Desa Lembah Sari	Local community
	Elminiani Harahap	Desa Lembah Sari	Local community
	Rian	Sarang Giting Estate	Security Guard
	Marwan	Harvester – Sarang Giting Estate	Worker
	Suwarsito	Harvester – Sarang Giting Estate	Worker
	Sofian	Mandore – Sarang Giting Estate	Worker
	Jumiran	Mandore – Sarang Giting Estate	Worker
	Suriati	Secretary – Rambutan Palm Oil Mill	Worker
	Melinda Susanti	Lab clerk – Rambutan Palm Oil Mill	Worker
	Maniur Malau	Technical Admin – Rambutan Palm Oil Mill	Worker
	Sri Hartini	Clerk – Rambutan Palm Oil Mill	Worker
	Sahnan Harianja	Mandore – Rambutan Palm Oil Mill	Worker
	Bejo Surianto	Capstain – Rambutan Palm Oil Mill	Worker
	Pawit	Water treatment – Rambutan Palm Oil Mill	Worker
	Aladin Nasution	Quality analyst – Rambutan Palm Oil Mill	Worker
	Erwin Chandra	Despatch – Rambutan Palm Oil Mill	Worker
	Rahmah Ekaputu	Driver – Palm Oil Mill	Worker
	Abdillah Afifudin	Boiler operator – Rambutan Palm Oil Mill	Worker
	Rosmawati Hasibuan	IKBI (Managers' Wives Association) member	Worker
	Suzilawati	IKBI (Managers' Wives Association) member	Worker
	Yeni	IKBI (Managers' Wives Association) member	Worker
	Dahlia Siraih	IKBI (Managers' Wives Association) member	Worker
	Arsam Edwin Lubis	Manager Kebun Gunung Monako	Management
	Irwan Sihaloho	Assistant Head Gunung Manako	Management
	Suhardi	Asst. Afdeling II K. G. Monako	Management
	Satria Permadi	Asst. Afdeling III K. G. Monako	Management
	Yudi Cahyadi	Manager Kebun Sarang Ginting	Management
	Raiswan	Askep Kebun Sarang Ginting	Management
	Misnajuita	Nurse Sarang Ginting Clinic	Worker
	Saidah Marpawil	Burse Clinic Kebun Tanah Raja	Worker

RSPO Surveillance Assessment Report
-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-

Appendix 5.a : Information about companys' ownership for uncertified status

No.	Palm Oil Mill				Supply Based Estate				Total Area <i>Luas areal (Ha)</i>	Total Planted <i>Luas tanaman (Ha)</i>	Time Bound plan <i>Rencana Tata Waktu</i>
	Name <i>Name</i>	Company name		Location <i>Lokasi</i>	Name	Company Name <i>Nama perusahaan</i>		Location <i>Lokasi</i>			
		Company Name <i>Nama perusahaan</i>	Company Shareholder. <i>Kepemilikan saham perusahaan</i>			Company Name	Company Share Holder				
1	Sei Baruhur POM (PSBAR) ^{*)}	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Torgamba Village, Torgamba Sub District, Labuhan Batu Selatan District, North Sumatera Province	Sei Baruhur Estate (KSBAR)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Beringin Jaya Village, Torgamba Sub District, Labuhan Batu Selatan District	6,060.27	5,823.10	2017
					Sei Kebara Estate (KSKAR)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Torgamba Village, Torgamba Sub District, Labuhan Batu Selatan District	6,139.87	5,816.62	2017
2	Sei Mangkei POM (PSMKI) ^{*)}	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Sei Mangkei Village Bosar Maligas Sub District, Simalungun District, North Sumatera Province	Dusun Hulu Estate (KDSHU)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Nagori Dusun Hulu, Ujung Padang Sub District, Simalungun District	2,849.66	2,704.43	2017
					Bangun Estate (KBANG)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Nagori Senio, Gunung Malela Sub District, Simalungun District	3,378.83	2,852.53	2017
					Gunung Para Estate (KGPARG)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Gunung Para II Village, Dolok Merau Sub District, Serdang Bedagai District	4,030.00	3,496.47	2017
					Gunung Pamela Estate (KGPMA)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Gunung Pamela Village, Sipispis Sub District, Serdang Bedagai District	5,589.06	3,891.73	2017
					Sei Dadap Estate (KSDDP)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Sei Dadap I/II Village, Sei Dadap Sub District, Asahan District	4,694.61	4,512.86	2017
					Rambutan	PT.	Government	Paya Bagas Vil-	6,837.67	6,339.86	2018

RSPO Surveillance Assessment Report
-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-



No.	Palm Oil Mill				Supply Based Estate				Total Area <i>Luas areal (Ha)</i>	Total Planted <i>Luas tanaman (Ha)</i>	Time Bound plan <i>Rencana Tata Waktu</i>
	Name <i>Nama</i>	Company name		Location <i>Lokasi</i>	Name	Company Name <i>Nama perusahaan</i>		Location <i>Lokasi</i>			
		Company Name <i>Nama perusahaan</i>	Company Shareholder. <i>Kepemilikan saham perusahaan</i>			Company Name	Company Share Holder				
					Estate (KRBTN)	Perkebunan Nusantara III (Persero)	of Indonesia	lage, Tebing Tinggi Sub District, Serdang Bedagai District (Sei Simujur Village, Sei Suka Sub District, Batu Bara District)			
3	Hapesong POM (PHPSG)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Perkebunan Hapesong Village, Batangtoru Sub District, Tapanuli Selatan District, North Sumatera Province	Batang Toru Estate (KBGTU)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Batang Toru Village Batang Toru / TS Sub District, Tapanuli Selatan District	4,097.37	3,347.96	2018
					Hapesong Estate (KHPSG)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Perkebunan Hapesong Village, Batang Toru Sub District, Tapanuli Selatan District	4,005.01	3,032.24	2018

Note : *). The both has got RSPO certificate time ago from PT TUV Rheinland Indonesia (Sei Mangke POM) on August 2010 and PT Sucofindo (Sei Baruhur POM) on November 2014 but the both RSPO certificate was terminated because some NCRs still open until maximum time accordance requirement.

Appendix 5.b : Information about companys' ownership for certified status

Name of Holding	Location	Time bound plan for certification (year)	Remarks
PANAS	Aek Nabara/Labuhan Batu Selatan	23 May 2014	Certified
PATOR	Aek Torop/Labuhan Batu Selatan	17 June 2014	Certified
PPARO	Aek Raso/Labuhan Batu Selatan	30 June 2014	Certified
PKSMK	Sei Mangkei/Simalungun	07 January 2015	Certified
PSSUT	Sisumut/Labuhan Batu Selatan	15 October 2015	Certified

RSPO Surveillance Assessment Report
-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-



Name of Holding	Location	Time bound plan for certification (year)	Remarks
PRBTN	TebingTinggi/Serdang Bedagai	01 September 2016	Certified
PSDAN	Sei Daun/Labuhan Batu Selatan	08 September 2016	Certified
PTORA	Torgamba/ Labuhan Batu Selatan	07 September 2016	Certified
PSMTI	Sei Meranti/ Labuhan Batu Selatan	14 October 2016	Certified
PSSIL	Sei Silau/Asahan	03 April 2017	Certified
PSMKI	Sei Mangkei/Simalungun	Desember 2017	Planned
PSBAR	Sei Baruhur/Labuhan Batu Selatan	Desember 2017	Planned
PHPSG	Batangtoru/ Tapanuli Selatan	December 2018	Planned

Appendix 5.c : The result of partial certification

A summary of findings is as stated below :

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	PT Perkebunan Nusantara III (Persero) is an RSPO member with ID No. 1-0030-06-000-00 (membership since 14 December 2006).	Comply
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	Based on description on section 5.1 & 5.2 that the company has showed time bound but it is not update and not challenging & realistic so that it was raised as non-conformity. Based on evidence of correction action that revision of time bond plan has stated on appendix 5.a & 5.b above. The fime frame laid out above is considered to be both challenging and realistic and update. Certification plan on behalf Hapesong POM has revised from 2016 be 2018 because compensation and remediation process for Muara Opu & Ampolu areas still in-progress. Current position that the company has develop of compensation program proposal by third party but it has not been approved by top	Comply

RSPO Surveillance Assessment Report
-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
	management and has not been submitted to RSPO Secretariat (c.q compensation panel).	
(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure	Sei Mangke POM & their supply base and Sei Baruhur POM & their supply base was carried out HCV assessment by third party. Whereas, issue of Muara Opu & Ampolu areas has stated their conservation liability amount of 1,324.31 ha (the company has carried out open land without HCV assessment) and current position is the company has develop of compensation program proposal by third party but it has not been approved by top management and has not been submitted to RSPO Secretariat (c.q compensation panel).	Comply
(f) Land conflicts, if any, 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>Per year 2016, there are some land conflicts or potential land conflicts or occupation/claim/enclave areas by community on-going in other PTPN III's management units such as Batang Toru Estate (± 314.16 ha), Bangun Estate (± 435.28 ha), Gunung Para Estate (± 87.99 ha), Gunung Pamela Estate (± 566.47 ha) and Rambutan Estates (± 94.16 ha). While the company has already made a conflict resolution mechanism/procedure (PK-3.06-03, PK-3.16-12 & PK-3.16-17) inform of mediation, persuasiveness, deliberation, compensation or "sugu hati" and settlement through legal way.</p> <p>The company usually efforing to solve conflict with communication and inform of mechanism it to the land claimants and those agreed. Some conflict resolution year 2016 via compensation or "sugu hati" as example in Gunung Pamela estate amount of 3.32 ha, Gunung Para estate amount of 7.00 ha, Bangun estate amount of 1.00 ha and Batang Toru estate amount of 17.60 ha. Whereas, the company (management of Rambutan Estate) and the land claimant has not been agreed about way out or mechanism of conflict solving so that since year 2012 to 2016 no progress.</p>	Comply

RSPO Surveillance Assessment Report
-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labour dispute issue were found until surveillance audit. The company have whistleblowing and some procedures relate of handling conflict.	Comply
(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>The company has carried out evaluation of compliance to law & regulation accordance procedure no. PK-3.18-01. The result of evaluation is some of PTPN III's other management units have not complied with certain legal requirements as example is :</p> <ul style="list-style-type: none"> • Timeframe for hazardous waste collection by licensed contractor from the mill and all estates all have exceeded the maximum permitted timeframe for storage of hazardous waste, which is 90 days for the mill and 180 days for the estates, • There is no evidence of recommendation from the relevant authorities to plantation business registration/permit changes in type of crop permitted to be planted on behalf Sei Putih estate, Gunung Monaco estate, Gunung Para estate, Gunung Pamela estate and Rambutan estate. • Renew land use right (HGU) has not been issued from government for some locations. <p>Current condition that the process is still ongoing with explanation as below :</p> <ul style="list-style-type: none"> • The company has provided schedule of pick up hazardous & toxic waste in every location, agreement between company with third party which have licensed, instruction letter to estate & POM regarding hand over hazardous & toxic waste to third party was appointed. • Recommendation of plantation business registration/permit revision regarding change in type of crop from local government in North Sumatera Province will issue date on 22 March 2017. Whereas, from District Government has not been issued. • Renew land use right process for some estates as below : <ul style="list-style-type: none"> ○ The company has completed some documents ap- 	Comply

RSPO Surveillance Assessment Report
-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-



Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
	<p>appropriate feed back from National Land Agency (BPN) of Republic of Indonesia for Muara Opu and Ampolu areas and it has submitted again to National Land Agency (BPN) of Republic of Indonesia via Regional Office in North Sumatera Province dated on 24 January 2017 (letter no. 130/1010-12.300/I/2017).</p> <ul style="list-style-type: none">○ Regional Office of National Land Agency in North Sumatera Province will carry out re-measurement in field in order to state land identification number (NIB) for Gunung Pamela estate.	