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Roundtable on Sustainable Palm Oil

Public Summary Report

Report no.: ASA3-14024

Surveillance assessment against the

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

PT PERKEBUNAN NUSANTARA III

Aek Nabara Selatan Palm Oil Mill

Head Office :

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

Site Office :

Bilah Hulu Sub District, Labuhan Batu District, North Sumatera Province - Indonesia

Date of 3rd surveillance audit : March 13 – 17, 2017

Report prepared by:

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1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the palm oil mill(s) and its supply base of FFB were assessed against the National Interpretation (INA-NI) of RSPO Principle and Criteria 2013, July 2016 and the RSPO Supply Chain Certification Systems (SCCS) document 2014 used, selected Supply Chain Model according to company's FFB supply base is **Mass Balance (MB)**.

1.2 Type of Assessment

The 3rd surveillance assessment was carried out on 1 (one) mill (Aek Nabara Selatan Mill) and 6 (six) estates (Aek Nabara Selatan Estate, Rantau Prapat Estate, Merbau Selatan Estate, Mambang Muda Estate, Labuhan Haji Estate, and Bandar Selamat Estate, under Aek Nabara Selatan Mill owned by PT Perkebunan Nusantara III (hereinafter referred to as “**PTPN III**” or “**the company**”).

1.3 Location and Maps

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

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Aek Nabara Selatan Mill	Aek Nabara Village, Bilah Hulu Sub District, Labuhan Batu District	02° 03' 42" N	99° 57' 20" E
Aek Nabara Selatan	Aek Nabara Village, Bilah Hulu Sub District, Labuhan Batu District	02° 03' 29" N	99° 57' 19" E
Mambang Muda	Perkebunan Mambang Muda Village, Kualuh Hulu Sub District, North Labuhan Batu District	02° 33' 02" N	99° 49' 20" E
Rantau Prapat	Jl. Lintas Sumatera Utara Rantau Prapat, Bilah Barat Sub-District, Labuhan Batu District	02° 03' 32" N	99° 48' 04" E
Merbau Selatan	Merbau Selatan Estate Village, Merbau Sub-District, North Labuhan Batu District	02° 12' 30" N	99° 49' 54" E
Labuhan Haji	Labuhan Haji Village, Kualuh Hulu Sub District, North Labuhan Batu District.	02° 32' 10" N	99° 42' 20" E
Bandar Selamat	Perkebunan Bandar Selamat Village, Aek Songsongan Sub District, Asahan District	02° 12' 00" N	99° 33' 00" E

The location of PTPN III's 6 estates in North Sumatera Province has showed on **Figure 1** & map of each estate has showed on **Figure 2**.

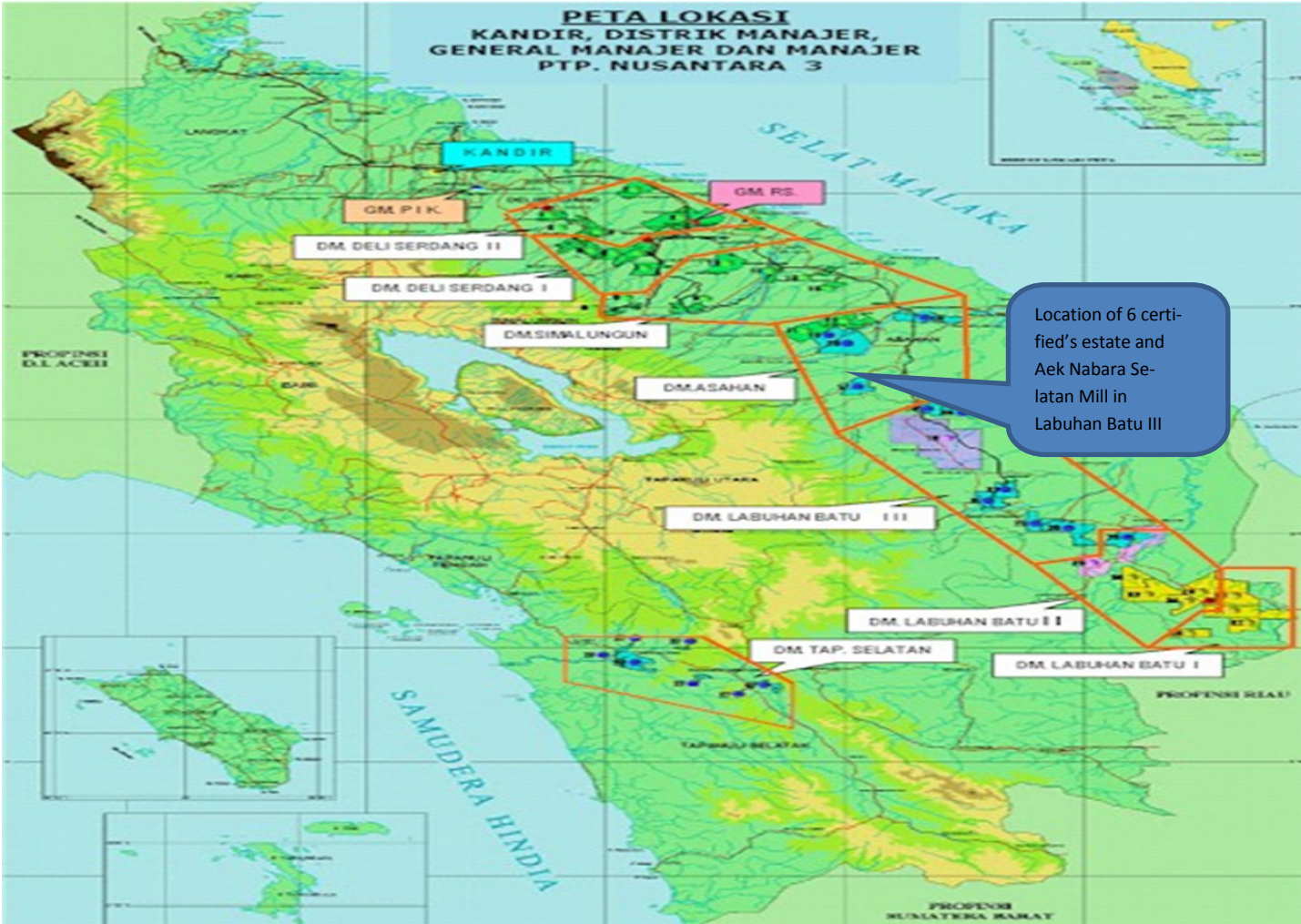


Figure 1. The location of PTPN III's 6 estates in North Sumatera Province

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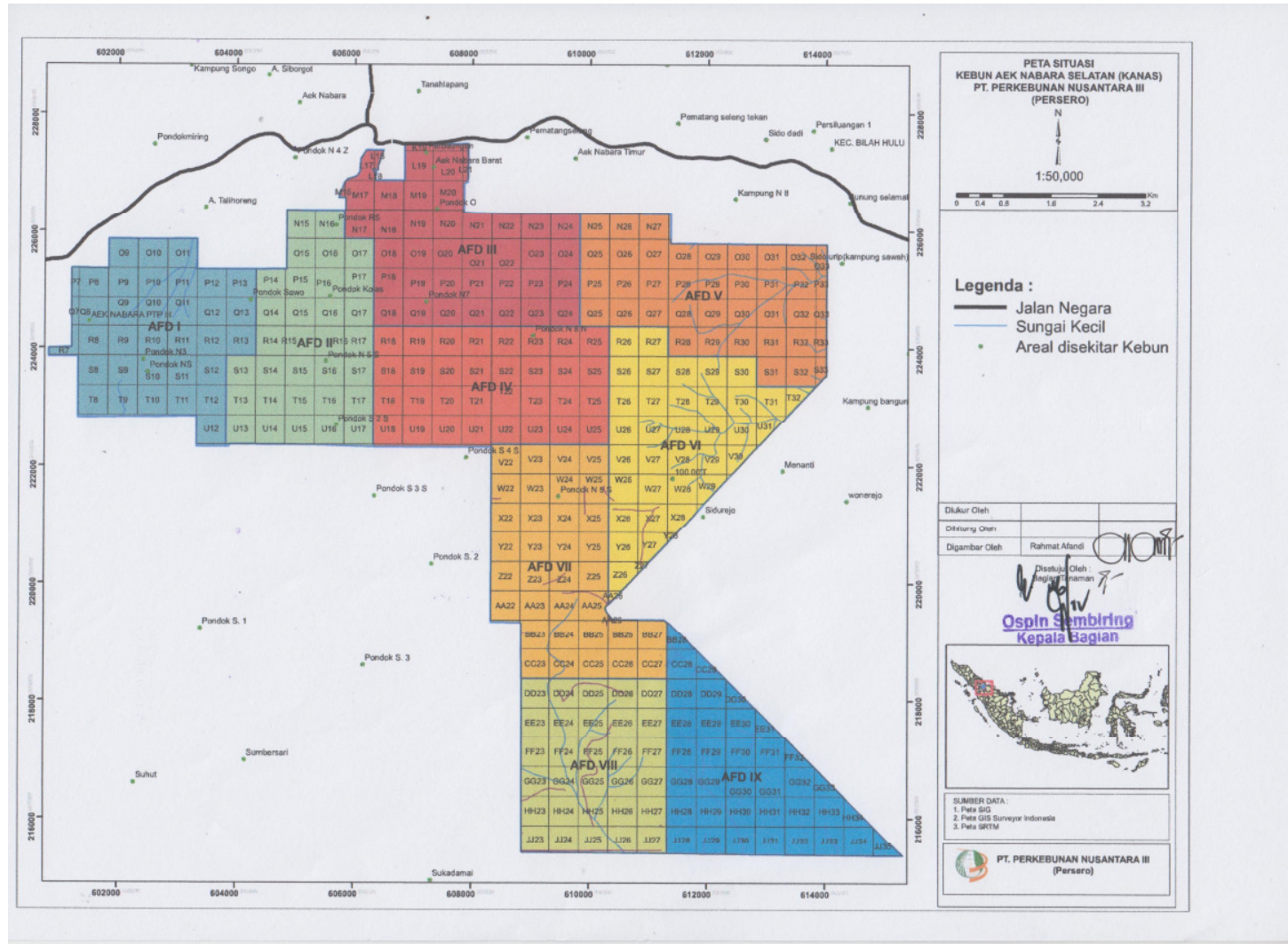


Figure 2.a. Map of Aek Nabara Selatan estate

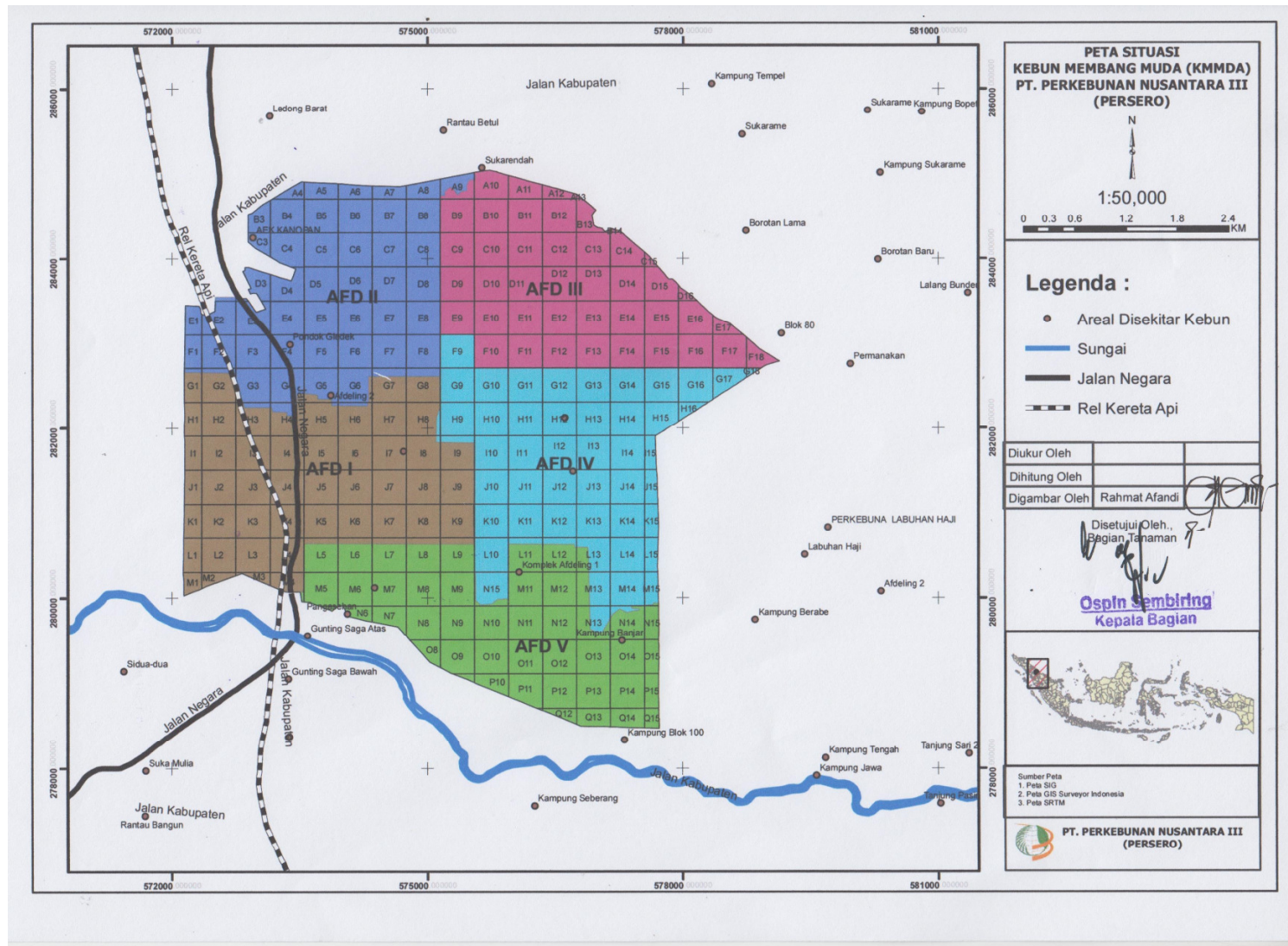


Figure 2.b. Map of Mambang Muda estate

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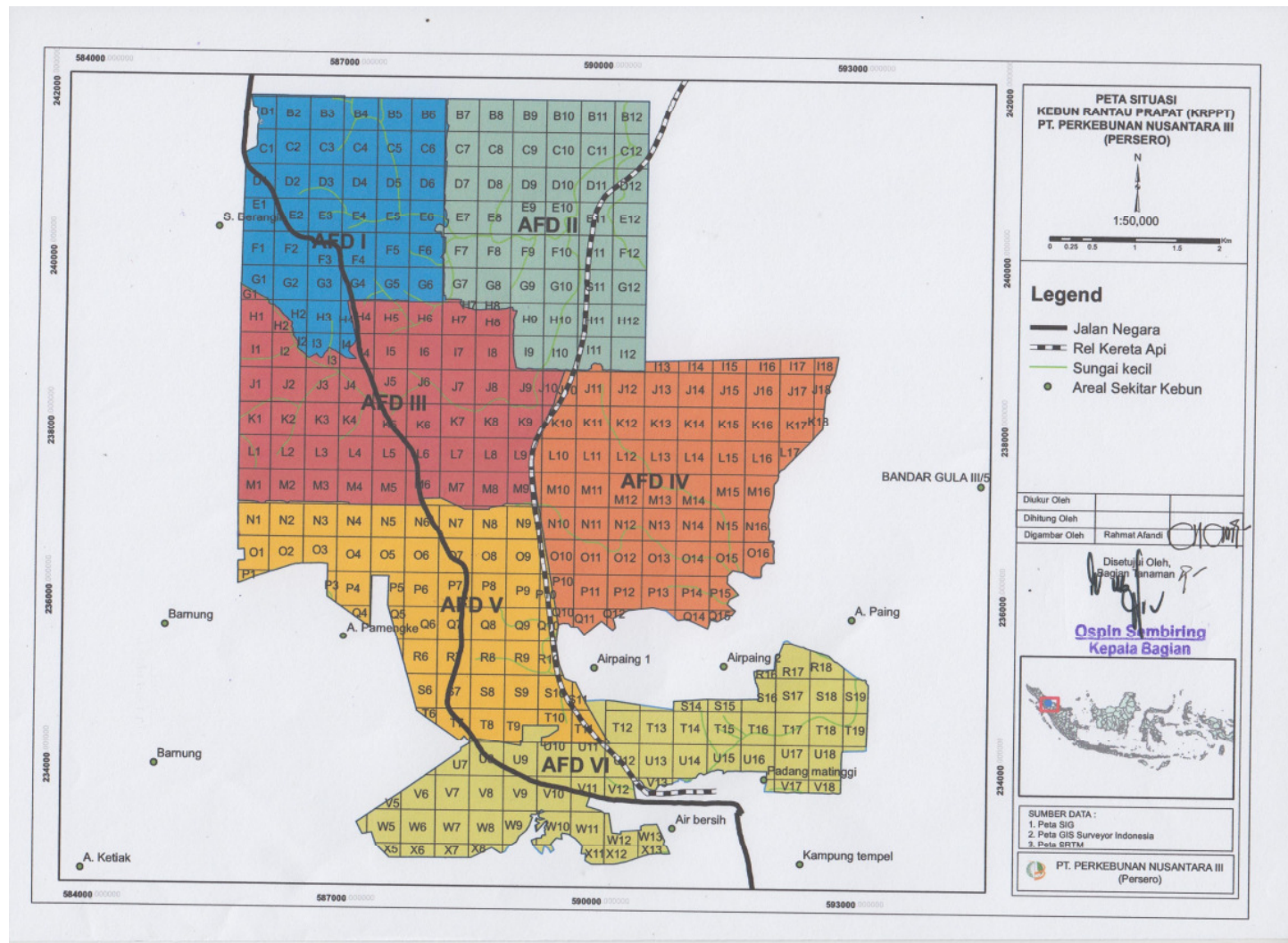


Figure 2.c. Map of Rantau Prapat estate

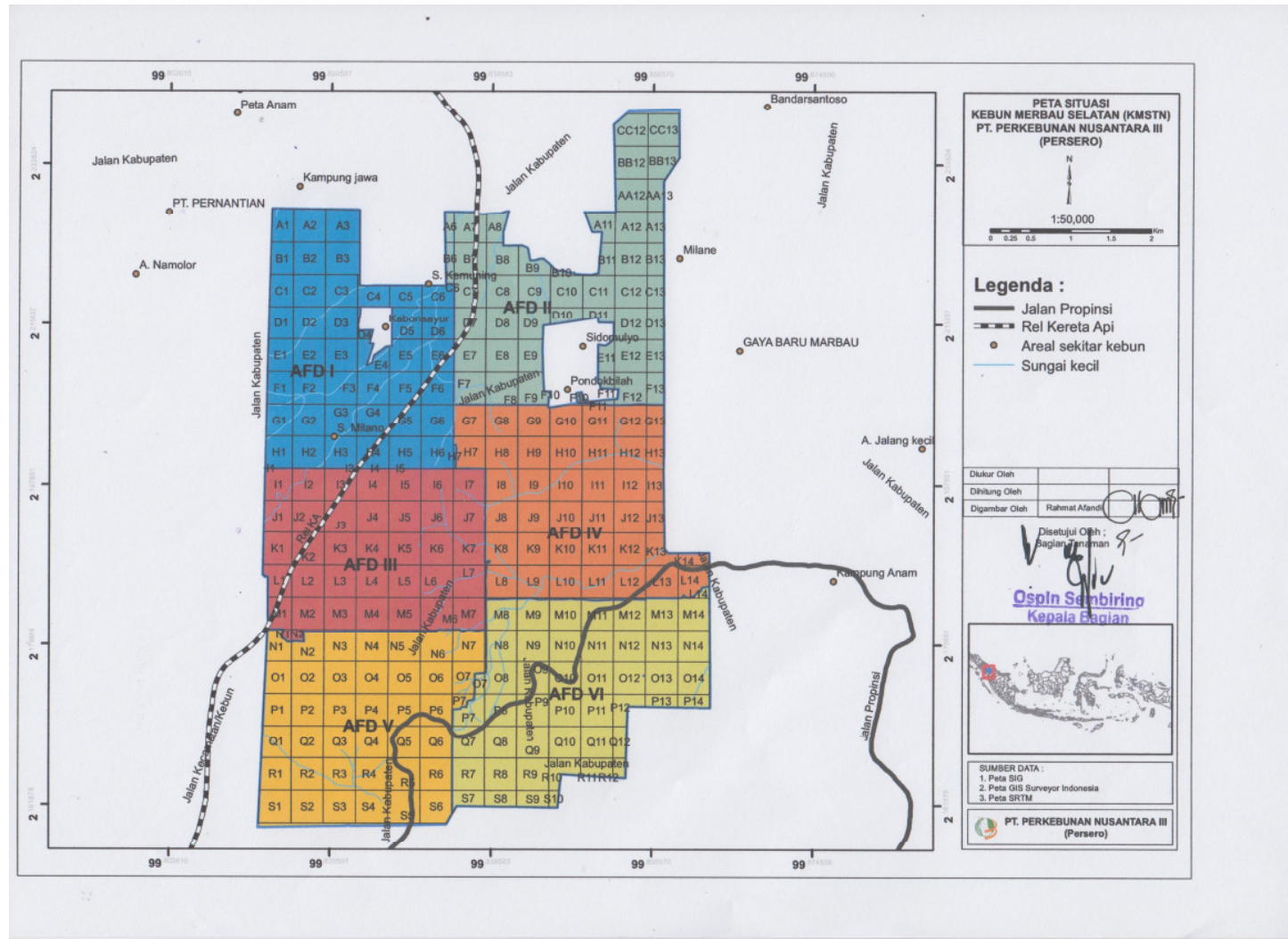


Figure 2.d. Map of Merbau Selatan estate

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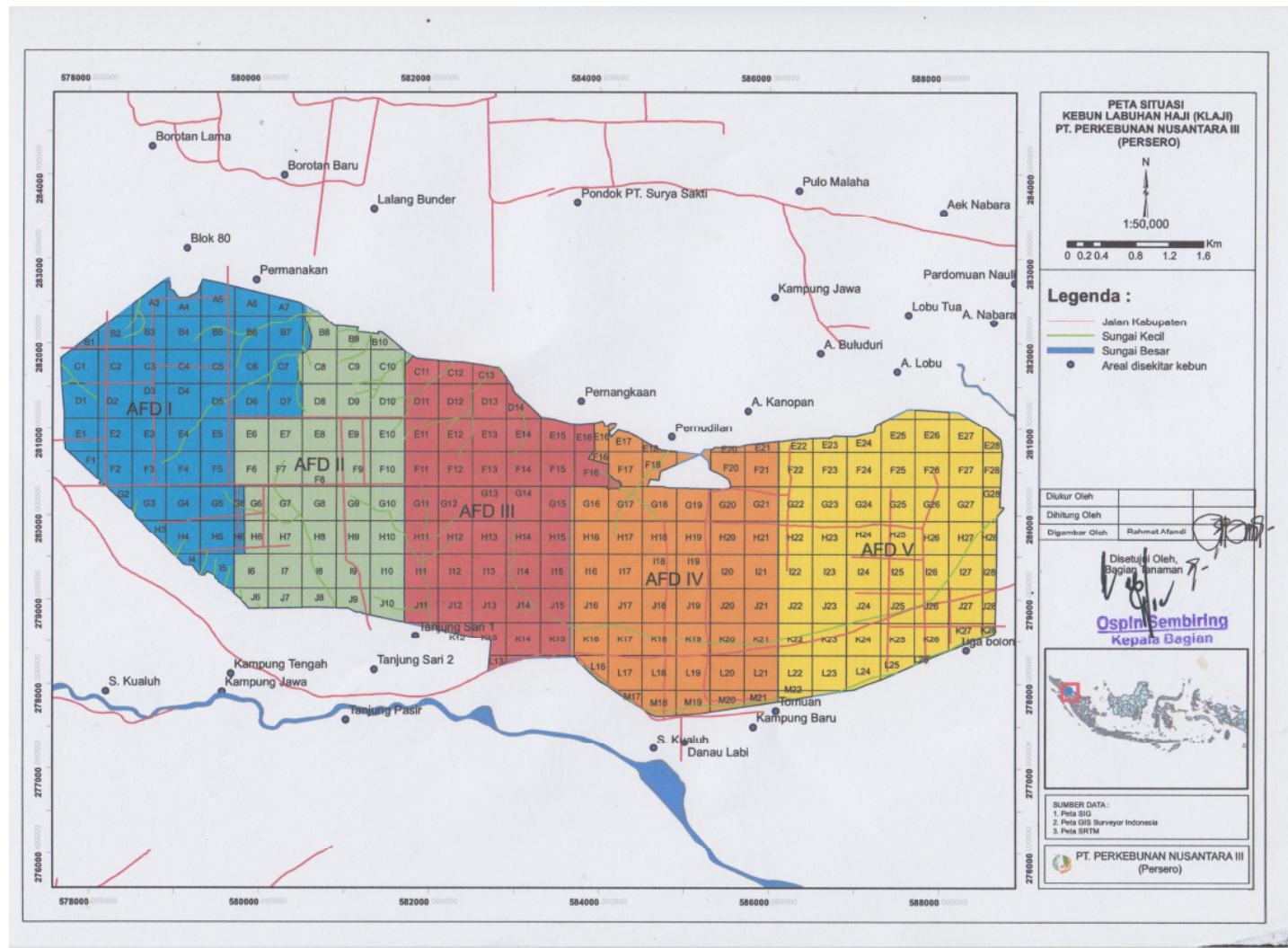


Figure 2.e. Map of Labuhan Haji estate

1.4 Description of Supply Base

Table 2. FFB Supply Information for Aek Nabara Selatan Mill (PTPN III) Year 2016 and 2017

FFB Contributors	FFB supplied in year 2016		FFB supplied in year 2017*	
	Tonnes	%	Tonnes	%
A. Certified Source				
A.1 Mill supply based estate:				
Aek Nabara Selatan (KANAS)	152,385.16	55.71	26,902.69	62.58
Mambang Muda (KMMDA)	27,087.91	9.90	4,090.72	9.52
Rantau Prapat (KRPPT)	26,599.70	9.72	4,045.19	9.41
Merbau Selatan (KMSTN)	3,543.93	1.30	465.75	1.08
Labuhan Haji (KLAJI)	39,572.79	14.47	5,854.63	13.62
Bandar Selamat (KBDSL)**	0.00	0.00	0.00	0.00
Sub Total A.1	249,189.49	91.10	41,358.98	96.21
A.2 Other certified estate under PT PN III :				
Sisumut (KSSUT)	0.00	0.00	144.91	0.34
Aek Nabara Utara (KANAU)	3,097.67	1.13	1,482.42	3.45
Sub Total A.2	3,097.67	1.13	1,627.33	3.79
B. Non-Certified Source				
Independent Out-growers	21,254.23	7.77	0.00	0.00
Sub Total B	21,254.23	7.77	0.00	0.00
Grand Total	273,541.39	100.00	42,986.31	100.00

Note : *) FFB received in 2017 until February

***) Since September 2014, KBDSL estate not delivered FFB to Aek Nabara Selatan POM but to Sei Silau POM (under PTPN III (Persero) too)

Table 3.a. CPO and PK production from Aek Nabara Selatan POM in year 2016

FFB Contributor	FFB Pro-cessed (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
A. Certified Source					
A.1 Mill supply based estate:					
Aek Nabara Selatan (KANAS)	152,385.16	21.61	33,282.618	4.73	7,251.712
Mambang Muda (KMMDA)	27,087.91		5,897.299		1,286.706
Rantau Prapat (KRPPT)	26,599.70		5,746.954		1,260.277
Merbau Selatan (KMSTN)	3,543.93		772.495		168.641
Labuhan Haji (KLAJI)	39,572.79		8,568.591		1,868.335

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FFB Contributor	FFB Pro-cessed (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
Bandar Selamat (KBDSL)*	0.00		0.000		0.000
Sub Total A.1	249,189.49		54,267.957		11,835.671
A.2 Other certified es-tate under PT PN III :					
Sisumut (KSSUT)	0.00		0.000		0.000
Aek Nabara Utara (KANAU)	3,097.67		665.020		151.462
Sub Total A.2	3,097.67		665.020		151.462
B. Non-Certified Source					
Independent Out-growers	21,254.23		4,181.501		954.948
Sub Total B	21,254.23		4,181.501		954.948
Grand Total	273,541.39		59,114.478		12,942.081

Note :

*) Since September 2014, KBDSL estate not delivered FFB to Aek Nabara Selatan POM

Table 3.b. CPO and PK production from Aek Nabara Selatan POM in year 2017 (until February 2017)

FFB Contributor	FFB Pro-cessed (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
C. Certified Source					
A.1 Mill supply based estate:					
Aek Nabara Selatan (KANAS)	26,537.56		5,577.722		1,324.193
Mambang Muda (KMMDA)	4,031.73		846.347		205.297
Rantau Prapat (KRPPPT)	4,000.32		841.029		201.360
Merbau Selatan (KMSTN)	465.75		96.806		23.209
Labuhan Haji (KLAJI)	5,768.51		1,202.557		284.901
Bandar Selamat (KBDSL)*	0.00		0.000		0.000
Sub Total A.1	40,803.87	21.00	8,564.461	4.99	2,038.960
A.2 Other certified es-tate under PT PN III :					
Sisumut (KSSUT)	144.91		31.535		7.158
Aek Nabara Utara (KANAU)	1,482.42		316.477		72.685
Sub Total A.2	1,627.33		348.012		79.843
D. Non-Certified Source					
Independent Out-growers	0.00		0.000		0.000
Sub Total B	0.00		0.000		0.000
Grand Total	42,431.20		8,912.473		2,118.803

Note :

*) Since September 2014, KBDSL estate not delivered FFB to Aek Nabara Selatan POM

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Table 4 : CPO and PK production and certified CPO and PK production from period year 2016 and projected for year 2017

FFB processed in 2016 (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
273,541.39	21.61	59,114.478	4.73	12,942.081
Certified FFB processed in 2016 (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
252,287.16	21.77	54,932.977	4.75	11,987.133
Projection FFB supplied in August 2017 to July 2018 (Tonnes)*	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
340,694.50	23.42	79,796.72	4.53	15,435.57
Projection Certified FFB supplied in August 2017 to July 2018 (Tonnes)*	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
330,694.50	23.54	77,846.72	4.54	15,005.57

Note : *). Include of FFB supplies from Bandar Selamat estate

1.5 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 25 years. Information on the dates of plantings are as per the table below.

Table 5 : Age and year of plantings of company estate supplying to Aek Nabara Selatan POM^{*)}

Age & Year of Plantings	Oil palm planted area at each estate (ha)						Total
	Rantau Prapat	Merbau Selatan	Mambang Muda	Labuhan Haji	Bandar Selamat	Aek Naba- ra Selatan	
2016	117.00	113.41	0.00	0.00	0.00	0.00	230.41
2015	0.00	0.00	0.00	0.00	0.65	0.00	0.65
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011	29.40	0.00	0.00	0.00	1.10	173.45	203.95
2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009	80.05	0.00	0.00	131.62	0.00	1,157.35	1,369.02
2008	3.40	0.00	0.00	74.50	65.85	1,620.95	1,764.70
2007	1.65	0.00	0.00	0.00	451.05	1,282.35	1,735.05
2006	0.00	0.00	0.00	129.59	117.66	1,243.35	1,490.60
2005	0.00	0.00	0.00	135.54	266.80	1,117.29	1,519.63
2004	240.35	0.00	57.15	174.90	0.00	357.30	829.70
2003	0.00	2.97	153.65	102.35	1,219.31	0.00	1,478.28
2002	0.00	0.00	78.67	91.44	161.20	0.00	331.31
2001	84.85	0.00	86.89	0.00	315.60	0.00	487.34
2000	123.90	29.17	0.00	0.00	971.77	0.00	1,124.84
1999	134.51	0.00	156.22	127.30	0.00	184.19	602.22

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Age & Year of Plantings	Oil palm planted area at each estate (ha)						Total
	Rantau Prapat	Merbau Selatan	Mambang Muda	Labuhan Haji	Bandar Selamat	Aek Nabara Selatan	
1998	0.00	11.55	0.00	138.44	0.00	0.00	149.99
1997	161.43	99.32	162.41	0.00	0.00	0.00	423.16
1996	0.00	0.00	0.00	39.61	0.00	28.48	68.09
1995	263.17**	0.00	67.77	84.81	0.00	0.00	415.75
1994	236.57**	0.00	124.20	205.01	0.00	23.32	589.10
1993	104.74	0.00	115.85	315.37	0.00	0.00	535.96
1992	0.00	0.00	18.37	0.00	0.00	0.00	18.37
1991	21.20	0.00	165.76	16.03	0.00	0.00	202.99
1990	212.20	0.00	111.87	91.55	0.00	13.80	429.42
TOTAL	1,814.42	256.42	1,298.81	1,858.06	3,570.99	7,201.83	16,000.53

Note :

*) . Oil palm plantation only

**) . Not productive areas

Table 6 : Planned and actual oil palm replanting activities for estate supplying to Aek Nabara Selatan Palm Oil Mill year 2017

Total planned replanting area for each estate (ha)	Total planned replanting area (ha)	Year					Actual total area replanted (ha)*
		2015	2016	2017	2018	2019	
Aek Nabara Selatan	13,80	-	-	-	13.80	-	0.00
Mambang Muda	411.85	-	-	-	296.00	115.85	0.00
Rantau Prapat	954.88	-	117.00	90.10	747.78	-	217.10
Merbau Selatan	113.41	-	113.41	-	-	-	113.41
Labuhan Haji	422.85	-	-	81.40	26.18	315.37	81.40
Bandar Selamat	-	-	-	-	-	-	-

Note : *) All replanting came from palm oil and based on overview of total area per December 2016 and per Februari 2017 so that there is revision of information

1.6 Other Achievements and Certifications Held

Table 7 : Details of other certifications or awards held by PT Perkebunan Nusantara III (Persero)

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved
Pabrik Kelapa Sawit Rambutan	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Sei Mangke	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Sei Silau	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Aek Nabara Selatan	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Sei Sumut	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999

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Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved
Pabrik Kelapa Sawit Sei Baruhur	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Aek Torop	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Torgamba	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Aek Roso	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999
Pabrik Kelapa Sawit Sei Daun	ISO 9000/14000/SMK3	TÜV/Sucofindo	1998/2000/1999

1.7 Area of Plantation (Total, Planted and Mature)

Table 8 : Oil Palm Planted Area Summary, FFB Production and Average yield/ha for company estate supplying to Aek Nabara Selatan Mill^{*)}

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (tonnes)	Average yield/ ha
Aek Nabara Selatan	7,312.68	7,201.88	7,201.88	0.00	152,385.16	21.16
Mambang Muda	2,953.06	1,298.81	1,298.81	0.00	27,087.91	20.86
Rantau Prapat	3,842.59	1,814.42	1,697.42	117.00	26,599.70	15.67
Merbau Selatan	3,293.55	256.42	143.01	113.41	3,543.93	24.78
Labuhan Haji	3,248.07	1,858.06	1,858.06	0.00	39,572.79	21.30
Bandar Selamat	3,651.40	3,570.99	3,570.34	0.65	47,267.96	13.24
Total	24,301.35	16,000.58	15,769.52	231.06	296,457.45	

Note: ^{*)} Production record in 2016 and hectare statement per December 2016

Table 9 : Land use data for company estate supplying to Aek Nabara Selatan Mill (PTPN III)^{*)}

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)			
					Office, housing, effluent pond, road, etc.	Occupied	Non-productive area	Governmental use.
Aek Nabara Selatan	7,312.68	0.00	7,201.88	98.70	94.58	0.00	16.22	0.00
Mambang Muda	2,953.06	1,394.60	1,298.81	541.06	121.24	7.93	117.47	13.01
Rantau Prapat	3,842.59	1,748.93	1,814.42	93.68	151.03	82.11	7.90	38.20
Merbau Selatan	3,293.55	2,829.15	256.42	55.84	48.05	158.22	1.71	0.00
Labuhan Haji	3,248.07	1,244.28	1,858.06	6.49	139.46	0.00	6.27	0.00
Bandar Selamat	3,651.40	0.00	3,570.99	179.83	80.41	0.00	0.00	0.00
Total	24,301.35	7,216.96	16,000.58	975.44	634.77	248.26	149.57	51.21

Note :

^{*)}. Based on hectare statement per December 2016

^{**)}. Areal HCV include in planted area

1.8 Organisational Information / Contact Person

Contacts details of the company are as follows :

Company Name	PT Perkebunan Nusantara III (Aek Nabara Selatan Mill)
RSPO Membership No.	1 -0030-06-000-00
Address	Jl. Sei Batang Hari No. 2, Medan, Indonesia
	Aek Nabara Selatan Village, Bilah Hulu Sub District, Labuhan Batu District.
Contact Person	Ahmad Diponegoro
Telephone	061-8452244
Email	ptb@ptn3.co.id

1.9 Time Bound Plan for Other Management Units

During 3rd surveillance audit, the company has showed time bound but it is not update and not challenging & realistic. Based on condition it, the audit team is not satisfied that the company not confirm with the RSPO requirement for partial certification as laid out in clause 4.2.4 of the RSPO certification system document. It was raised as non-conformity (**NCR No. RSPO00953**).

1.10 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 RSPO00953**).

1.11 Compliance to other RSPO Procedure

RSPO NPP	Muara Opu & Ampolu site was carried out NPP assessment by Certification Body (PT Sucofindo) in year 2012.
RSPO Compensation and Remediation procedure	The company has not carried out NPP mechanism for new planting areas in Muara Opu and Ampolu – Tapanuli Selatan District with total areas is ± 1,324.31 ha. Based on condition above so that the company have liability to follow with remediation and compensation mechanism.
Areal Subject to sanction	± 1,324.31 ha

1.12 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 3.0.1
Accurate data has been put into the RSPO PalmGHG Calculator	The company has not filled in FFB production from Rantau Prapat & Mambang Muda estate on RSPO GHG Calculator version 3.0.1 not accordance with plantation report year 2016. It was raised as non-conformity (NCR

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	No. RSPO00978).
Net GHG Emission Figure (tCO ₂ e/tCPO)	3.01 tCO ₂ e/tCPO and 3.01 tCO ₂ e/TPK [*])

Note : based on correction from NCR No. RSPO00978

1.13. Plan for certification of associated smallholders

As seen from data in **Table 2**, the mill receives 7.77% supply of FFB (year 2016) from independent outgrower whereas year 2017 is 0% so that there are not smallholders associated with the mill.

Based on information above so the mill has not developed a plan for certification of associated smallholders.

1.14 Approximate Tonnages Certified

The approximate tonnages certified, based FFB production in August 2017 to July 2018 (amount of **330,694.50 tonnes**) for company owned estates only are as follows:

Crude Palm Oil (CPO) : **77,846.72** tonnes (OER : 23.54%)
Palm Kernel (PK) : **15,005.57** tonnes (KER : 4.54%)

1.15 Recommendation for Certification

PT Perkebunan Nusantara III (Persero) – Aek Nabara Selatan 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 Indonesian National Interpretation of RSPO Principles and Criteria 2013, July 2016.

PT TUV Rheinland Indonesia recommends that PT Perkebunan Nusantara III (Persero) – Aek Nabara Selatan POM be approved as a producer of RSPO Certified Sustainable Palm Oil.

1.16 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from PT Perkebunan Nusantara III (Persero) – Aek Nabara Selatan POM and its supply base, which includes Aek Nabara Selatan estate, Mambang Muda estate, Rantau Prapat estate, Merbau Selatan estate, Labuhan Haji estate and Bandar Selamat estate. The date of revision of certificate issued is 04 September 2017. Whereas, date of first certificate is 23 May 2014. Further details of the certificate are as per **Appendix 1**.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, RSPO (RSPO-ACC-013) and ISPO (LS-P&K-005-ISPO). PT TUV Rheinland Indonesia's office is located in Jakarta, Indonesia.

2.2 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 Commision (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), assesor 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>
Viknevaran Paramasivan (VP)	Lead Auditor (under monitoring)	<p>Education: B. Eng in Chemical Engineering – Universiti Teknologi Malaysia</p> <p>Trainings attended: RSPO Lead Auditor Training – Proforest (2010), RSPO SCC Course – David Ogg & Partners (2016), ISO9001:2008 Lead Auditor Training – BSI (2010), OHSAS 18001: 2007 Lead Auditor Course – Neville Clarke (2016), Safety & Health Officer (SHO) Course – NIOSH (2010), ISO14001:2015 Lead Auditor Training – Neville Clarke (2017)</p> <p>Working experience: Worked in the palm oil industry for more than 10 years in various capacities; RSPO auditor since 2010; First Grade Steam Engineer for Boiler and Unfired Pressure Vessels certified by DOSH since 2007</p>
Budi Setiawan (BS)	Auditor	<p>Education: Bachelors Degree in Forestry - Bogor Agriculture University, Indonesia, (2004 to 2008).</p> <p>Trainings attended: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Course by Komisi ISPO, Quality Management System (QMS) Auditor/Lead Auditor by IRCA (ISO 9001:2008), Environmental Management Systems Auditor/Lead Auditor Conversion</p>

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Name	Position	Qualifications / Experience
		<p>Training by IRCA (ISO 14001-2004), Calculation of Green House Gas at Palm Oil Plantation by Komisi ISPO, SVLK Auditor Training by Ministry of Forestry, CoC Auditor by LEI, PUB and Café training by ministry of tourism.</p> <p>Work experience: Staff RSPO in PT MAS (2008-2009), Staff Planning & Analysis in PT Bakti Sukses Mandiri (2009-2010), PT Mutu Hijau Indonesia, Jakarta as Technical Manager (2015-2016) and HR and finance manager (2014-2015), Auditor in PT Mutu Hijau Indonesia (2010-2016), and Auditor in PT TUV Rheinland Indonesia (2016-present)</p>
Doni (DN)	Auditor	<p>Education: Master in Rural Sociology, Graduate School of Bogor Agricultural University completed in 2005.</p> <p>Trainings Attended: GIS Training, Auditor Training of Indonesian Sustainable Palm Oil (ISPO), Training of Participatory Mapping, Training of Document Preparation HCV and SIA, Auditor Training of Sustainable Production Forest Management (SFM), Training and Up-Grading of SFM, Training of Mentoring technique for the Rural Farmers, Conflict Resolution Training and Journalism Training.</p> <p>Work Experience: Frequently conducted certification audits of RSPO and ISPO for Palm plantation, the certification audit of SFM (Sustainable Production Forest Management) for HPH and HTI, worked as a consultant for the National Development Planning Agency, Ministry of Environment and Forestry, Indonesian People Bank (BRI), Ministry of Rural Development (KPDT) and the Ministry of Public Works, Director General of Cipta Karya, JICA and UN-HABITAT and UNDP, HCVF document drafting team for the company of HTI, HPH and constituent team for documents of HCV / SIA for oil palm plantations. Since March 2016 till now, work at PT. TUV Rheinland Indonesia.</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). Depart-</p>

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Name	Position	Qualifications / Experience
		ment 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.

2.3 Assessment Methodology

The surveillance assessment was conducted dated on **13 to 17 March 2017** as per the assessment program below. 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.

All estates and mill were visited 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 30 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 months after the closing meeting of the assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The certification assessment agenda is as explained below.

Surveillance Assessment Agenda

Date	Location/ Main sites	Main activities
March 13, 2017	<ul style="list-style-type: none"> • Bulking/storage in Belawan • Aek Nabara estate • Head office (commercial, plantation, processing, & law department) 	<ul style="list-style-type: none"> • Opening meeting in Aek Nabara Selatan estate & Bulking/storage in Belawan • Verification last audit findings • Verification of document relate of the product receipt from Aek Nabara Selatan POM, document of delivery certified product and instruction of delivery document for certified product, record of certified transaction on palm trace, projection of product production year 2017 each POM, mass balance of PTPN III, list of occupation/claim problem, hectare statement per February 2017 & December 2016, OSH, salary/wage, discrimination, evaluation of contractor/sub-contractor regarding OSH, wage, PPE and medical check-up, using fertilizer and agrochemical, etc
March 14, 2017	<ul style="list-style-type: none"> • Aek Nabara estate • Aek Nabara POM 	<ul style="list-style-type: none"> • Opening meeting in Aek Nabara Selatan POM • Verification last audit findings • Verification of document relate of the raw material receipt (certified and non-certified), mass balance of Aek Nabara Selatan POM, SCCS requirement, hectare statement per February 2017 & December 2016, OSH, environment issues, salary/wage, discrimination, evaluation of contractor/sub-contractor regarding OSH, wage, PPE and medical check-up, using fertilizer and agrochemical, GHG mitigation, labour union, medical check up, long term economic, legal compliance, waste, water management, training, meeting of safety and health committee and HIRAC, list of stakeholder, stakeholder logbook, efficiency energy, HCV management & monitoring activity, etc. • Field visit : weighbridge, administration room, processing, loading ramp,

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Date	Location/ Main sites	Main activities
		WTP, effluent pond, boiler, engine room, emplasment in division/afdeling 3 – Aek Nabara Selatan estate, emplasment village, HCV areas, hazardous waste store and workshop in POM.
March 15, 2017	<ul style="list-style-type: none"> • Rantau Prapat estate • Mambang Muda estate 	<ul style="list-style-type: none"> • Opening meeting in Rantau Prapat estate & Mambang Muda estate • Verification last audit findings • Verification of document relate of hectare statement per February 2017 & December 2016, OSH, environment issues, salary/wage, discrimination, evaluation of contractor/sub-contractor regarding OSH, wage, PPE and medical check-up, using fertilizer and agrochemical, GHG mitigation, labour union, medical check up record, long term economic, legal compliance, waste, water management, training, efficiency energy, HCV management & monitoring activity, job description of security team, hazardous waste inventories & manifest, fertilizer application records, chemical application records, chemical stock inventory, waste management plan, MSDS/CSDS for Metsulfuron and Glyphosate, accident record and Insurance, etc. • Field visit : security team office in Rantau Prapat estate, division/afdeling 2 – Rantau Prapat estate, emplasment in division/afdeling 2 – Rantau Prapat estate, harvesting activity in division/afdeling 2 – Rantau Prapat estate and division/afdeling I, IV & VI – Rantau Prapat estate, Kampung Baru village, Man Power & transmigration Agency in Labuhan Batu Utara District, Bukit Perjuangan group office, land conflict areas in division/afdeling IV-Rantau Prapat estate, sensus of IPM areas in Mambang Muda estate, chemical store, diesel tank, compressor, fertilizer store, first aid boxes. observed PPE used by sprayers, harvesters and landfill, clinic, workers housing area.
March 16, 2017	<ul style="list-style-type: none"> • Labuhan Haji estate • Merbau Selatan estate 	<ul style="list-style-type: none"> • Opening meeting in Labuhan Haji estate & Merbau Selatan estate • Verification last audit findings • Verification of document relate of hectare statement per February 2017 & December 2016, OSH, environment issues, salary/wage, discrimination, evaluation of contractor/sub-contractor regarding OSH, wage, PPE and medical check-up, using fertilizer and agrochemical, GHG mitigation, labour union, medical check up, long term economic, legal compliance, waste, water management, efficiency energy, HCV management & monitoring activity, job description of security team, list of hazardous waste and was inventories, TNA, training records and plan, chemical stock inventory, waste management plan, permits and license, safety and health committee organization chart, accident records and Insurance. LTI, List of stakeholder, etc. • Field visit : Division/afdeling 1 – Labuhan Haji estate, HCV areas – Labuhan Haji estate, division/afdeling 5, emplasment in division/afdeling 1 & 5 – Labuhan Haji estate, harvesting and maintenance activity in Merbau Selatan estate, chemical store in Labuhan Haji estate, first aid boxes in Labuhan Haji estate, hazardous waste store in Labuhan Haji estate, observed PPE used by workers such as ear plugs, helmet and safety shoes, waste bins and loading area.
March 17, 2017	<ul style="list-style-type: none"> • Bandar Selamat estate 	<ul style="list-style-type: none"> • Opening meeting in Bandar Selamat estate • Verification last audit findings • Verification of document relate of hectare statement per February 2017 & December 2016, OSH, environment issues, salary/wage, discrimination, evaluation of contractor/sub-contractor regarding OSH, wage, PPE and medical check-up, using fertilizer and agrochemical, GHG mitigation, labour union, medical check up, long term economic, legal compliance, waste, water management, efficiency energy, HCV management & monitoring activity, job description of security team, hazardous waste and was inventories, training records and plan, chemical stock inventory, waste management plan, permits and license, safety and health commit-

Date	Location/ Main sites	Main activities
		tee organization chart, accident records and insurance, effluent monitoring records, etc. <ul style="list-style-type: none"> • Field visit : harvesting & maintenance activity, chemical store, first aid boxes. hazardous waste store, observed PPE used by workers such as ear plugs, helmet and safety shoes, waste bins and loading area in Bandar Selamat estate. • Closing meeting

2.4 Stakeholder Consultation and Stakeholders Contacted

The stakeholder consultation involved both external and internal stakeholders. During surveillance assessment that stakeholder consultation took place in the form of interviews. A stakeholder consultation was also held on Man power and Transmigration Agency office dated on 15 March 2017, internal stakeholder on the sample of division/afdeling dated on 14-17 March 2017 and external stakeholder in village office as Kampung Baru village and Emplasment village. Surveillance audit not using letters inviting individual stakeholders to the stakeholder consultation meeting but using direct communication.

All stakeholder issues raised were recorded and forwarded to the management for their written reponse, and this is summarized in Section 3.5. The list of stakeholders on stakeholders interviewed during the assessment is included as **Appendix 4**.

2.5 Date of Next Surveillance Visit

The next surveillance visit is planned for **March 2018**.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During the 3rd surveillance assessment, **18 (eighteen)** nonconformities were assigned against Major Compliance indicators while **11 (eleven)** nonconformities were assigned against Minor Compliance Indicators. **8 (eight)** observations or opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in Section 3.3. The observations & opportunities for improvement are listed in Appendix 5.

The following is a summary of findings made for the criteria listed in the Indonesian National Interpretation (INA-NI) of RSPO Principles & Criteria 2013, July 2016.

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 and forms to allow for effective participation in decision making.

Findings:

The company has established the procedure Communication and Consultation to Stakeholder with document No. PK-3.00-03 Rev. 01 issued on December 15, 2015 to provide adequate information on environmental, social and legal that related with RSPO criteria. The procedure stated that communication with stakeholders conducted through company website, telephone, letter, email, facsimile and suggestion box. Whereas, schedule of updating stakeholder list has not been covered or included inside consultation and communication procedure. It was raised as non-conformity (**NCR No. RSPO00954**).

The Head of District or Estate will follow up for all requests for information, suggestion, aspiration and response from stakeholders followed up in accordance with their respective authorities. All records and documentation recorded and documented in the daily logbook.

List of stakeholders in Aek Nabara Selatan Palm Oil Mill year 2016 was available where 17 stakeholders were listed such as Shareholders, Workers, Customers, Pemasok/rekonan, Investor, Authorities, Creditor/Bank, Competitor, Auditor, Local Community, Mass Media, Subsidiary, etc. Contact number and person in-charged for each stakeholders were available. a flow chart of problem solving and conflict with as evidence found being communicated to stakeholders was available too..

A log book for stakeholder was available too where it can accessed in administration and human resource, clerk human resource, Workers Union (SPBUN) – unit of Aek Nabara Selatan POM, Document Control Center (DCC) dated 6 January 2017 was approved by Ir. Iwan Hardi Damanik (Manager).

In Labuhan Haji estate, list of stakeholders as approved by Manager (H. Agus) for the year 2017 was available too. Among them are shareholders, customers, surrounding communities, Head of Aek Kanopan District and other plantations such as PT Perkebunan Mitra Ogan and PT Sarana Agro Nusantara and there was a communication to stakeholder recorded on 29 September 2016 on Code of Conduct. A total of 11 representatives from stakeholders attended the briefing done by Ir. Fadli Yulizaf (Askep). Among them Edison Sinaga (Direktor C.V Putra Labuhanbatu), Arbaiyah Nasution (Direktor CV Zaedan Semb), Arly Simanggunsong (Direktor CV. Yakin Choy) and etc. Another briefing on Kebijakan Perusahaan (vision, mission, value, OSH policy, quality objective, environmental) attended by 12 representatives on 28 March 2016.

Compliance status :

Yes
 No

NCR No. :
RSPO00954

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

Compliance status :

Planning Developing) No. 3.00/SE/01/2015 issued on April 08, 2015 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.

Yes
 No

The publish documents i.e. :

- Company profile
- Annual report
- Financial report
- Certificate of HGU, HGB and HPL
- Manual book of GCG
- GCG evaluation result by third parties
- Award information
- Letter of company register (TDP)
- EIA 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)
- HCV documentation (criteria 5.2 and 7.3)
- Details process of complaint procedure (criteria 6.3)
- Final RSPO public summary report of certification result
- Human rights policy (criteria 6.13)

NCR
No.: -

In Aek Nabara Selatan POM, Merbau Selatan estate and Bandar Selamat estate that the list of documents that can be made available and restricted to stakeholders was available.

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

In Bandar Selamat estate, a Code of Conduct for PT Perkebunan Nusantara III, 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. Commitment to compliance to code of conduct were made by Sugiato SP (Manager), Ir. Raiswan (Askep), Rizaldy Pulungan, SE, QIA (Assiten Tata Usaha), Sonny Ville Malila (Asisten Pesonalia), Tahi Pardomuan Sitompul, ST (Assisten Teknik), Pittor Nugraha. P Hutabarat, SP (Assisten Tanaman Afd 1), Helmi Zulfan. SP (Assisten Tanaman Afd II), Muliansen Saragih, SP (Assisten Afd III), Sudarso Pasaribu (Assisten Tanaman Afd IV), Tonny Wahyu Tristiawan, SP (Asisten Tanaman Afd V), M. Iqbal Siregar, SP (Assisten Afd VI) on 10/05/16. All workers also signed the commitment as required.

Compliance status :
 Yes
 No

NCR
No. :
RSPO00955

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This code of conduct was communicated and informed to stakeholders in Labuhan Haji estate dated on 28 March 2016 as evidences apple in Statement of compliance (Pernyataan Kepatuhan). Commitment was made on 28/03/16. Tedi Priza Sitorus (Director representing CV Davi Perkasa), Ngatino (Director representing CV Tirayoh), Aminudin Napitupuluh (Director representing CV Chadizah Coy), Drs Sahat L Tobing (DirektorCV Abrar Jaya), Heri Simanjuntak (Director of CV Wira Andalan mandiri), Raja Muda Lubis (Direktor CV Indah). Whereas, the third party in other estate has not been disseminated regarding code of conduct. It was raised as non-conformity (**NCR No.RSPO00955**).

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

Findings:

The company has record of law and legal compliance presented in Result of evaluation of legal and other requirements, No. Doc. FM-3.18-02/01 Revision. 01 on date February 25, 2014. There are evidences that law and regulation compliance such as:

- a. Land application permit
- b. Directors Decree No. 3.17/SKPTS/R/14/2017 on Employee Salary Increase PTPN III in accordance with the North Sumatra Governor's Decree No. 188.44 /623/KPTS/2016 dated October 20, 2016 on Minimum Wage North Sumatra 2017 IDR 1,961,354,69. Staff and workers receive salary payment receipts (monthly pay slips) in a timely manner. Management staffs are paid through bank transfer, while workers paid in cash.
- c. Land use right (HGU)
- d. Environment document
- e. Approval Letter (Surat Izin) from Kabupaten Asahan pertaining to operation of private clinic in the Bandar Selamat estate. No. 503/BPS/BPPPM/0565/IV/2012. Valid for 5 years from date of approval 13/04/12. Available the letter from Manager to apply for renewal dated 21/02/17. Also available 6 other approval (Izin) that required to be renewed

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.

The company have list of law and legal compliance or regulation (showed in FM-3.18-01/01) as in Aek Nabara Selatan POM. found a legal register for PT Perkebunan Nusantara III (FM-3.11-01/01) dated of revision 02/06/09. There were 60 number of legal identified such as: No. 122/2004 (Effluent Standard for Industrial Activity), KEP-255/BEPEDAL/08/1996 (Method and Condition of Keeping Used Oil Containers), Legal No. 1/1970 (Occupational Safety), (PP No. 27.1999 (Environmental Aspect Assessment). Legal No. 2/2004 (Solution for Industrial Crisis). Whereas, the legal register for the year 2016 sampled. 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 at Merbau Selatan estate but it has not been covered some laws and regulations i.e Ministry of Agriculture decree no. 11/Permentan/OT.140/3/2015 regarding ISPO, Ministry of Forestry decree no. P.48 year 2008 regarding guide of handling of conflict between people with wild fauna/animal and Ministry of Manpower decree no.15 Year 2008. It was raised as non-conformity (**NCR No. RSPO00956**).

The company has a procedure for identification relavant law and regulation namely Procedure for identification and evaluation law and regulation, PK-3.18-01 revision 01, on date February 25, 2014. The procedure states that the legal section is responsible for identifying the law and regulation.

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

- Mill and estate has not been general medical surveillance for all employees so that it has not compliance to Ministry of Manpower decree no.02 year 1980 section 3
- The content of first aid box in Aek Nabara Selatan POM and Rantau Prapat estate not complete (21 item/type) so that it has not compliance to Ministry of Manpower regulation no.

Compliance status :

- Yes
 No

NCR No ..
RSPO00956 to 959 & RSPO00970

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<p>Per.15/Men/VIII/2008</p> <ul style="list-style-type: none"> • The company has not submitted plantation business report (Aek Nabara Selatan & Rantau Prapat estate) and compulsory company manpower report (Aek Nabara Selatan, Rantau Prapat, Mambang Muda and Bandar Selamat estate). <p>This condition raised as non-conformity (NCR no.RSPO00957 to 959).</p> <p>Moreover, Based on field visit in Rantau Prapat estate that auditor was found wife's harvester helping his husband to collect FFB losses so that she is not covering by accident insurance and friend or brother from harvester helping harvester to collect FFB losses so that it is not compliance with company policy and regulation. It was raised as non-conformity (NCR No. RSPO00970).</p> <p>Evaluation of Compliance for Aek Nabara Selatan POM year 2016. (FM-3.11-01/02 dated 02/06/09). Found few legal not scored 100% such as PERMENAKERTRANS No. PER-01/MEN/1981 (Responsibility to Report Work Disease) (Pasal 5 (2)) Workers required to wear PPE. Action to provide PPE and briefing to workers on importance of PPE, KEP-50/MENLH/11/1996 (Baku Mutu Tingkat Kebauan) Pasal 5 (1)c Reporting monitoring of odour to KDH Level 1 every 3 months. Lab Action to report every 3 month. KEP-49/MENLH/11/1996 (Baku Mutu Tingkat Getaran) Pasal 6 (1)c Reporting result of monitoring vibration every 3 months. Action to report every 3 months were observed. KEP-48/MENLH/11/1996 (Baku Mutu Tingkat Kebisingan) Pasal 6 (1)c Reporting result of noise monitoring every 3 months. Action to report every 3 months were observed. KEP-MENLH No. 122 tahun 2004 (Baku Mutu Limbah Cair Bagi kegiatan Industri) Pasal 6 Separate water discharge point from rain water. Action Install flow meter was implemented.</p> <p>At Merbau Selatan estate, the result of compliance evaluation. PERMANAKERTRANS No. PER-01/MEN/1981 (Kewajiban Melapor Penyakit Akibat Kerja) Pasal 5 (2) Workers have to wear PPE. Action observed as PPEs were provided, Form P2K3 at workplace, briefing. Identification and evaluation of compliance of Legal and other regulations.</p> <p>Sugang Ariani (Personnel) Incharge Legal requirements. There was a procedure (PK-03.11-01 Rev.00) documented methodology for tracking changes to legal requirements. Also found in Kebun Merbau Selatan, the mechanism for tracking on legal changes was defined in the procedure. Legal Department (Bahagian Hukum) required to contact or follow up with relevant authority for latest legal update. District Manager required to contact and follow up at district level any legal or regulations update. It will then be distributed to all unit and district.</p>	
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Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

<p>Findings:</p> <p>During the third surveillance audit, land use rights certificate has not changed. Description of legal ownership from each estate as below :</p> <p><u>Aek Nabara Selatan estate</u></p> <p>Aek Nabara Selatan Estate has showed they land use rights based on land use rights certificate number No.13/N.3 Aek Nabara, with total area 11,026.99 Ha based on land use rights decree number 116/HGU/BPN/2005, this land use rights valid until 22/12/2040 issued on January 22, 2008 by Head of Regional Land Agency of Labuhan Batu District. This estate consist of 9 division (afdeling), total planted area was 7201.88 Ha, with year of planting from the oldest planting was in 1999, then the youngest planting was 2011. This youngest planting was from re-planting process, not new planting.</p> <p>Based on hectarage statement 2017, planted area + others land used by estate still compliance with land use rights, when total areal used was 7312.68 Ha. Based in hectarage statement and on-site visit verification, planted area was comply with the legal land use rights.</p> <p>Aek Nabara Selatan Estate has record map of boundary pillars and record of boundary pillar maintenance, i.e.: boundary pillars monitoring report carried out in June 2016, and December 2016. Based on monitoring report identified 156 unit, with 155 unit in good condition and 1 unit missed. For this condition (boundary pillars missed) estate was follow up by reported to the estate</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>NCR No. : RSPO00962</p>
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manager then to District Manager. Estate has procedure for monitoring and maintaining boundary pillars document number PK-3.11-10 Rev 00, monitoring and maintaining will carry out in every six month and reported to the estate manager.

Mambang Muda estate

Membang Muda Estate has showed they land use rights based on land use rights certificate number No.12/PERKEBUNAN MEMBANG MUDA with total area was 2,624.19 Ha based on land use rights decree number 119/HGU/BPN/2005, this land use rights valid until 22/12/2040 issued on January 22, 2008 by Head of Regional Land Agency of Labuhan Batu District. This estate consist of 5 division (afdeling), with palm oil and rubber combined commoditie. Total palm oil planted was 1,298.81 Ha with year of planting from the oldest was in 1990, and the youngest planting was in 2004, and rubber planted was 1,394.60 Ha.

Membang Muda Estate has record map of boundary pillars and record of boundary pillar maintenance, i.e.: boundary pillars monitoring report carried out in December 2015. Based on monitoring record was identified 150 unit with 2 found was broken, and the others in good condition.

Bandar Selamat Estate, during 2nd surveillance audit, this estate was not delivered FFB to the Aek Nabara Palm Oil Mill since 2015 until this year 2016, this is becuae distance and economic reason. This estate has showed they land use rights based on land use rights certificate number No.17/BANDAR SELAMAT with total area was 3,651.40 Ha based on land use rights decree number 21/HGU/BPN/2006, valid until 28/08/2043 issued on August 29, 2008 by Head of Regional Land Agency of Labuhan Batu District. This estate consist of 6 division (afdeling), with palm oil commodite planted was 3,570.34 Ha, when the oldest year of planting in 2000 and the youngest planting was in 2015. Total land used by Bandar Selamat estate based on hectaraga statement for 2016 was 3,651.40 Ha

During 3rd surveillance audit in Rantau Prapat estate (Afdeling IV block P14, P15, Q14, Q15) that there was land dispute with total areas amount of **58.97 hectares** but no evidence that it has not been carried out participatory mapped by involving affected party (including community surrounding and local government). It was raised as non-conformity (**NCR No. RSPO00962**).

This is company land but it was cultivated since 1998 by Kasian CS, Anwar Batu Bara and Ali TB group then they has constructed permanent and semi-permanent house too. Both party have attempted many times to conduct meeting in order to find solution, who is mediated by government in Labuhan Batu District and police side, but yet there is no deal till now.

On April 26, 2016 has been conducted a meeting among Manager of Labuhanbatu III District, Head of Rantau Prapat estate, General Head of DLAB3 and assistant head of Rantau Prapat estate, along with Head of DPRD in Labuhan Batu District. The result of meeting with Head of DPRD was supported to surrender land with term of “Sagu Hati” Pattner. On May 3, 2016, it has been distributed in form of statement letter to group of Tani Perjuangan in order to be filled with anything relevant to land (width, building, etc), and statement of willingness to surrender the land, attached with copy of Identity Card in order to proceed to the next stage. Result of interview with head of farmer group of Bukit Perjuangan, it was obtained an information that they were willing to solve land dispute with mutualism way.

The company have procedure of conflict resolution (No. Doc. PK-3.18-12 Rev 01, revision date September 19, 2016). Conflict resolution can be done through discussion and consensus and if it cannot be solved, then it will be processed in legal way. In order to conduct conflict resolution, it must accommodated requirement of complete information which is stated in RSPO requirement.

No specific traditional tenure rights have been found in all PTPN III estates as the plantation has already existed before the surrounding community’s settlement.

According to information stated in Social Impact Assessment (SIA) conducted with the local community’s participation, following two types of non-tenure traditional activities has been identified as relevant to the local community’s in the seven estates:

- Traditional logging for subsistence purposes; and
- Cattle grazing.

Result of interview during 3rd Surveillance audit with traditional shepherd, it was obtained an information that community in area of Membang Muda Estate, already has tradition in herding

cow. Cattle is like saving that can be sold. Mambang Muda estate have made an agreement on October 4 2011 related to herding in company land, which is contained of agreement of area for cattle herding, those are Afdeling I, II, III, IV, V. This agreement was signed by representative of company, village and sub-district government, and breeders.

In addition to these activities, there are also sites sacred to local community such as cemeteries and water sources. These cemeteries hold remains of those whose families no longer inhabit the estate area. The community uses the water sources during dry season when wells or rivers run dry. The estate management is aware of the presence of such areas/sites, thus supports their maintenance and activities using them, despite the areas' land status belonging to PT PN III.

The land owners and affected parties know that there is a land dispute resolution mechanisms through deliberation (musyawarah). There is available copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) :

- a. Minutes of meeting between claim areas Resolution Team (PTPN III) by Farmers Group Suka Damai June 14, 2009 with the conclusion that the board of Farmers Group Suka Damai ready to surrender the claim area of 99.88 hectares in AFD I with an agreement to receive compensation money.
- b. Minutes of compensation dated March 11, 2010 and on behalf (SP) Group including 55 members and on behalf Suwandi Bin Paimin including 23 members.
- c. Examples of individual compensation payments on behalf (SP)

Several records have been found on agreements negotiated between the traditional land owners and estate management supplemented with appropriately scaled maps. For example, (i) negotiation on grazing location map in Mambang Muda Estate being agreement made between the villagers and the estate manager on 4 October 2011; and (ii) agreement between Bandar Selamat Estate Manager and head of village surrounding the company's location, Songsongan, Police Officer, and youth leader made on 10 January 2011. There is a map of traditional activities in each agreement, informing location of the cattle grazing area agreed by the community inhabiting the concession.

Copies of negotiated agreements detailing process of making such consent are available in the estate offices, such as Aek Nabara Selatan, Bandar Selamat and Mambang Muda estate offices.

Criterion 2.3: 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.

Findings:

No specific traditional tenure rights have been found in all PTPN III estates as the plantation has already existed before the surrounding community's settlement.

According to information stated in Social Impact Assessment (SIA) conducted with the local community's participation, following two types of non-tenure traditional activities has been identified as relevant to the local community's in the seven estates:

- Traditional logging for subsistence purposes; and
- Cattle grazing.

In addition to these activities, there are also sites sacred to local community such as cemeteries and water sources. These cemeteries hold remains of those whose families no longer inhabit the estate area. The community uses the water sources during dry season when wells or rivers run dry. The estate management is aware of the presence of such areas/sites, thus supports their maintenance and activities using them, despite the areas' land status belonging to PT PN III.

Available situation map of Marbau Selatan Estate according to land use rights decree number SK HGU No. 118 / HGU / BPN / 2005 December 23, 2005. Land Use Right (HGU) No. 09 covering an area of 1613.02 Ha January 22, 2008 (valid until 12/22/2040), Land Use Right (HGU) No. 10 covering an area of 1580.65 ha January 22, 2008 (valid until 12/22/2040). However map the area 99.88 hectares (the addition of expansion), which is still in the process of publishing in the Land Agency Office. Constatering Report (Panitia B) on 19 November 2014.

The land owners and affected parties know that there is a land dispute resolution mechanisms through deliberation (musyawarah).

There is available copies of negotiated agreements detailing the process of free, prior and in-

Compliance status :

- Yes
 No

NCR No.: -

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formed consent (FPIC):

- a. Minutes of meeting between claim areas Resolution Team (PTPN III) by Farmers Group Suka Damai June 14, 2009 with the conclusion that the board of Farmers Group Suka Damai ready to surrender the claim area of 99.88 hectares in AFD I with an agreement to receive compensation money.
- b. Minutes of compensation dated March 11, 2010 and on behalf (SP) Group including 55 members and on behalf Suwandi Bin Paimin including 23 members.
- c. Examples of individual compensation payments on behalf (SP)

Several records have been found on agreements negotiated between the traditional landowners and estate management supplemented with appropriately scaled maps. For example, (i) negotiation on grazing location map in Mambang Muda Estate being agreement made by and between the villagers and the estate manager on 4 October 2011; and (ii) agreement between Bandar Selamat Estate Manager and heads of village surrounding the company's location, Songsongan, Police Officer, and youth leader made on 10 January 2011. There is a map of traditional activities in each agreement, informing location of the cattle grazing area agreed by the community inhabiting the concession.

Copies of negotiated agreements detailing process of making such consent are available in the estate offices, such as Aek Nabara Selatan, Bandar Selamat and Mambang Muda estate offices. Copy of specific situation map and land area (Peta Bidang Tanah atau Situasi Khusus) for area 158.22 should available in Merbau Selatan estate.

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

Findings:

Long Term Plan /*Rencana jangka panjang* (RJP) for periods 5 (five) years i.e: 2015 – 2019 of Aek Nabara Selatan Estate, Membang Muda estate and Merbau Selatan estate also available. The RJP was included cost budget per year and cover the following items:

- Areal
- Production and results of process
- Cost of investment of palm oil
- Cost of investment of non palm oil
- Palm oil production per year's planted
- Volume of sold price and result of palm oil sales
- Cost of production
- Charge of business of palm oil
- Profit and loss
- Gneral cost
- Harvestng cost
- Cost of Mature maintenance
- Wokforce estimation
- etc

Meanwhile, budget (RAB) of 2016 was contained:

- RAB of Production Cost
- RAB of Mature Maintenance
- RAB of Harvesting Charge and Transportation
- RAB of Overhead Cost
- RAB of General Cost
- RAB of Production Cost
- Plan of Non Plantation Investment
- etc

The company have replanting programme period of 5 year. Replanting programme has revised by management with some variable. Replanting programme has stated on **Table 6**.

Compliance status :
 Yes
 No

NCR No.: -

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

Findings:

The company have some procedure and work instruction where access to procedure via intranet (paper loss). Found available Work Instruction (IK-3.11-03/08) dated 19/05/16 in Indonesian language where the SOP is made available in the intranet system. SOP for Handling and Reporting OSH Problem (K3) (PK-3.16-11 Rev. 02) revised 10/02/17 at Bandar Selamat estate was available as sampled.

At Aek Nabara Selatan POM as Sample the masterlist as available in the intranet <http://10.3.5.45> (Memo) To all Head of Department dated 09/05/16. As sampled revision on 12 documents made and require a briefing to inform on changes made. (PK) Work Procedure, (IK) Work Instruction and (DP) Additional Information. The memo was distributed to all key personnels such as Assistant Head of POM, Assistant of technic, Assistant of fincansial & administration, Assistant of labor, Assistant of processing & production. There was a training record available upon request for updating documents changed for relevant workers as requested. Conducted on 12/05/16 where 34 workers attended the briefing session.

In Bandar Selamat estate, while the internet signal was not accessible, SOP provided in revision 02 dated 10/02/17. No evidence of training conducted when revision 01 and 02 were made so that workers aware on the changes of the SOP. It was raised as non-conformity (**NCR No.RSPO00963**). The SOP requested was not able to be retrived from <http://10.3.5.45> as a result of poor internet connection at Merbau Selatan estate. Whereas, at Labuhan Haji estate also consistent due to poor internet signal, the SOPs were not able to be accessed and retrieved.

To ensure the operating procedures consistently implemented and monitored by the company, the auditor team has been interviewed workers and field observation. Based on the interviewed with the related workers and field observation, the auditor team conclusion that the operating procedure has good enough implemented and monitored.

A mechanism to check consistent implementation of procedures has conducted through Internal Audit mechanism. Internal audit planned once year to check implementation of procedures well implemented. The internal audit conducted by "Satuan Pengawas Internal (Internal Inspector)". Report of internal audit reported to the top management.

The result of this internal audit should closed by unit management (Estate & POM) for a time bond plan agreed by both of parties (unit management & Internal inspector). The unit management should made the time bond plan to closing major findings (urgent) as soon as possible and made planning to ensure the minor and observation findings were not repeated for the next time. All of that shall reported to the top management as a top management mechanism to ensure all of procedure was appropriately implementation.

Based on internal audit report year 2016 that to ensure or to monitor activity has appropriated with operational procedure was not available inside internal audit report. It was raised as non-conformity (**NCR No.RSPO00963**).

At Bandar Selamat estate, found daily monitoring check list (Hasil Pemeriksaan Pemuliharaan Tanaman) where checking done on plantation activity. Checking done by mandore of each division. Another checking was done A monitoring unit at Asahan District on 05-07/12/16. Comment was made in the report dated 27/12/16. Area checking covering production achievement, quality of harvesting, Maintenance of estate (Chemical application) and disease (hama). Another inspection by Asahan District was done on 14-17/02/17.

The company has carried out revision of several procedures but it has not been disseminated to staff and employee, as sample :

- Form of balance sheet for hazardous and toxic waste inside PK-3.11-19 rev.02 (effective date 19 May 2016)
- Form of checking use of PPE in working areas and form of handover of PPE inside PK-3.16-45

Compliance status :

- Yes
 No

NCR No.:
NCR No.RSP 000963

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rev.02 It was raised as non-conformity (NCR No.RSPO00963). The company has procedure of FFB management supplier and out growers with document number PK-3.11-09 revision 01 effective date 19 May 2016. The procedure described about FFB reception from certified estate and non-certified estate. During the audit, the company has been implemented the procedure and has been conduct recording for FFB in accordance with procedure. The company has record of FFB from third party which record in recapitulation of FFB reception. Record of FFB reception has verified against entire document.	
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Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

<p><u>Findings:</u></p> <p>The company has procedure for Good Agricultural Practices in managing soil fertility through the fertilizing activity presented in Work instruction number IK-3.01-03/16 Rev. 01, on date January 14, 2015, about fertilizing application for palm. The procedure is covering 5T principles i.e. appropriate in type, dose, time, location and sequence. There are three methods of sowing fertilizer, namely tamper, rocking and sticks. Work instruction has set that the fertilizing activity will carry out in every six month. Then estate also has work instruction for EFB application with document number IK-3.01-03/19 Rev02, this work instruction has sett the EFB dosage and application technique, with application dosage was 40 – 50 tonnage for mature tree and 10 – 15 tonnage for immature tree with 1 layer application.</p> <p>Estate maintain record of implementation of work instruction e.i. report of fertizer activity daily, report the results of checks fertilization</p> <p>The company conduct fertilizing application according procedure for maintenance soil fertility and maintain records of fertilizing inputs in repeat usage of fertilizer. Aek Nabara selatan Estate, Membang Muda estate and Merbau Selatan estate have record of fertilizing application in 2016. Sampling Record of fertilizing application such as Aek Nabara Selatan Estate : Record of Realization of Fertilizer Consumption for Palm Oil. Sample fertilizer usage of until February 2017: Dolomite = 0 Kg, NPK = 632,949 kg (0,0230 kg/ton TBS)</p> <p>There is evidence that the organization has performed periodic tissue and soil sampling to monitor changes in nutrient status. sampling records of periodic tissue and soil analysis as membang muda estate: Tissue sampling, dated June, 2016;. Analysis has performed by Indonesian Oil Palm Research Institute; Soil Sampling, year 2014;. Analysis has performed by Indonesian Oil Palm Research Institute.</p> <p>The company has recommendation of fertilizer for 2016 by Indonesian Oil Palm Research Institute</p> <p>Estate has procedure for soil and leaf sampling document number IK-3.09-01/04 Rev01, mentioned the leaf analysis will carry out in every one year, and soil analysis carry out in every 5 year.</p> <p>The company has a nutrient recycling strategy including Empty Fruit Bunch (EFB) application and POME. Records of EFB and POME application are available and maintain very well for until February 2016.</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
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Criterion 4.3: Practices minimise and control erosion and degradation of soils.

<p><u>Findings :</u></p> <p>During 3rd surveillance audit, there is no marginal soil in Aek Nabara Selatan Estate. This estate located in 41 asl, with slope area between 0 – 45°. Total area the highes slope was about 320.90 Ha (4.38%) from total land use rights. Terracing methode was applied for this location by estate. Based on soil map, there is no peat soil in Aek Nabara Selatan Estate.</p> <p>Road maintainance for Aek Nabara Selatan Estate also available for 2016, example in division 2, total plan for road maintainance carried out was 3000 meters in February 2017. Road</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
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maintenance map also available. Then for division 2, road maintenance program and realization also available for January 2017, based on road maintenance map, was carried out 2500 meter.

Based on HCV assessment report, there is no marginal soil in Membang Muda Estate. Estate slope was between 0 – 25%, with majority slope between 0 – 8%.

Membang Muda Estate has record of road maintenance for 2015, example for division 3 in December 2016, total road maintenance was 2,600 meter. Road maintenance record for others division also available.

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

Findings:

Estate has record of water quality management for surface water and ground water. Each estate has water source from river. Such as Merbau has record of water used and water management protection. In Aek Nabara estate, total water used until February 2017 about 1.989 m³ /month for domestic water usage, office, etc.

Current the source of water is from a small pond and the raw water will be pumped and treated. There was evidence of signages to warn against polluting the pond (waduk) by using chemical, spraying activity, fish poisoning.

At Aek Nabara Selatan POM, found process of flow chart for water treatment. Water discharge monitoring for land application was conducted monthly by Sucofindo. Sampled monitoring conducted as evidence of analysis report for January 2017, Desember 2016, November 2016, October 2016 and etc. Parameter sampled covering pH, Copper, Plumbum, Cadmium, Zink, Oil and Fat, COD and Bod. Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance Assessment Effluent Usage from Industry to Soil in Palm Oil Plantation used as a basis for comparison.

At Aek Nabara Selatan POM, there was available as sampled water usage monitoring date for

- December 2016: Treated FFB = 25, 988.550 Kg, Raw Water used = 23, 358 M³, Boiler = 23, 358 M³, Domestic = 10, 395 M³.
- November 2016 : Treated FFB = 25, 920 Kg, Raw Water = 43, 280 M³, Boiler = 25, 967 M³, Domestic = 10, 368 M³.
- October 2016 : Treated FFB = 28, 380 Kg, Raw Water Used = 51, 084 M³, Boiler = 30,140 M³, Domestic = 11,352 M³.

Overall total for the year 2016 : Treated FFB = 273, 541.390 Kg. Raw water used = 488,241 M³, Boiler = 309, 058 M³. Domestic = 119.088 M³. Overall total until February 2017 : Treated FFB = 42, 431.200 Kg. Raw Water used = 76.312 M³, Boiler = 38.156 m³, Domestic = 16.972 M³.

Compliance status :

Yes
 No

NCR No.: -

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

Findings:

The company has established Work Instruction for Oil Palm Pest Management technique, incorporating cultural, biological, mechanical, and physical methods to minimize the use of chemicals. The works instruction are :

- 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-3.01-17/15

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

Compliance status :

Yes
 No

NCR No.:
RSPO 00964

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Based on report of census in Aek Nabara selatan estate that there is no attack from caterpillar, bag worm and rat. Whereas, other estate that Mambang Muda estate has carried out census ganoderma attack but category of level of attack has not stated on work instruction (IK-3.09-03/12) as example the result of census date 8 February 2017 is ganoderma attack was available with level of attack is sick-low. It was raised as non-conformity (**NCR No. RSPO 00964**).

There is evidence that Implement IPM programme by using beneficial plant, i.e: plant *turnera subulata*, at all estate. Example: Membang Muda Estate has planted *turnera subulata* at afdeling 1, while in Merbau Selatan Estate has planted *turnera subulata* at afdeling II.

Each Estate has conducted training IPM in 2016. There was Record of training IPM such as : Socialization IPM of Membang Muda estate carried out on date February 27, 2017, followed by 37 participants. While in Merbau Selatan Estate, IPM training carried out on date March 4, 2016 and attendant by 35 participants.

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

Findings:

At Merbau Selatan estate, there was available pesticides application plan as sampled for January 2017. Planned to spray on lalang covering 5.6 Hectar as per Plantation Programm Map approved by the Manager on 03/01/17. In the actual progress report dated 31/01/17 showed 5.6 hectar was implemented using Posate 0.11 Litre. Based on the use of pesticide record in Labuhan Haji estate has not covered LD-50, volume of ingredient per hectare and total of employee which applied. It was raised as non-conformity (**NCR No. RSPO00965**).

At Merbau Selatan estate, as sampled in the chemical store, no paraquat being used and kept for plantation activity.

At Merbau Selatan estate, sampled Instruksi Kerja (Hazardous Chemical handling) IK-3.01-03/14 Revision 00. This was an obsolete document which was revised on 19/05/16. The revised document was not being able to be assessed. Training related to hazardous chemical was conducted dated on 09 May 2016 where 12 workers attended. No evidence of regular training or briefing conducted for employers particularly sprayers and hazardous chemical handlers. One of evidence in indicator 4.8 has explained dissemination relate of hazardous chemical handling and spraying.

Sprayer employee from internal and external shall use of PPE. Based on interview and field visit that Aek Nabara Selatan estate, Mambang Muda estate, Rantau Prapat estate & Labuhan Haji estate has not been checked or ensured third party company has complained to provide PPE appropriate with their risk. It has raised as non-conformity (**NCR No RSPO00966**). Moreover, maintenance supervisor in division/afdeling 1 – Labuhan Haji estate and division/afdeling 2 – Rantau Prapat estate do not have PPE appropriate (rubber gloves & masker). It was raised as non-conformity (**NCR No. RSPO00966**)

In Merbau Selatan estate, found that they not conducting medical surveillance annually. As sampled only available a report for result of monitoring and testing on OSH submitted to Dinas Tenaga kerja dan Transmigrasi SUMUT. Done on 09/11/15. Among tested: Audiometric, Spirometri, Cholinesterase, Biological and Psychological. While in Labuhan Haji estate, similar test only conducted on 10/11/15. Results were okay except for audio metric where 2 out of 10 tested found having reduce in hearing capacity, while for spirometry only 1 having mild effect. No medical surveillance (cholistrase parameter) was conducted for sprayers, pesticide operator, agrochemical warehouse officer and maintenance supervisor. It was raised as non-conformity (**NCR No. RSPO00967 & RSPO00968**)

In Bandar Selamat estate, a Spraying activity was outsourced to CV Chdzah Coy, CV Tirayoh and CV Davi Perkasa Sampled a contract was made between them and PT Perkebunan Nusantara III (Kebun Bandar Selamat) made on 01/10/16. No specific requirement mentioned that they were required to carry out annual medical surveillance except at para 3.2.1 (General Term) (c) responsible to workers safety in line with legal requirement not limited to UU No. 13 Tahun 2003. Specific legal requirement related to pesticide such as Permenaker No.3 Tahun 1986 about OSH requirements at workplace for those handling pesticides at Pasal 7. Workers where there are

Compliance status :

- Yes
- No

NCR No.:
**RSPO00965,
RSPO00966,
RSPO00967,
RSPO00968**

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pesticides required to get planned interval medical check up once a year and specific check up 2 times a year.

At Labuhan Haji estate, as sampled in a contract (Surat Perintah kerja) dated 30/09/16 a statement not allowing pregnant and breastfeeding women to handle chemicals and health monitoring once a year.

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

Findings:

At Labuhan Haji estate, found PTPN III OSH Policy was found displayed at entrance of the office. Signed by Bagas Angkasa (Direktor Utama) dated 02/03/15. Also have an OSH policy for Labuhan Haji signed by H. Agus (Manager). Dated 16/02/17. Contained commitment to comply with OSH Legal requirements, consistent management of OSH, minimizing accidents, workers to wear PPE, installed signage to remind workers, continuous briefing employees, contractors.

At Aek Nabara Selatan POM, hazard was identified and risk assessment was conducted on 16/01/2017. Approved by Ketua P2K3. Scoring can be improved by giving a numbering score for likelihood and severity. Currently the likelihood was categorized as A, B, C, D and E while severity by 1, 2, 3, 4, 5. Also score low were having recommended action plan. According to auditee, if there are any incident occurred, then the hazard and risk assessment need to be reviewed. Calculate of risk assessment in HIRAC document not consistent, no revision for anticipating risk after accident dated on 3 October 2016 and last assessment (17 January 2017) and all activities not included in risk assessment and their hazardous potential. It was raised as non-conformity (**NCR No. RSPO00969**).

In Merbau Selatan estate, as sampled Hirarc conducted on 11 January 2017 by Khairul Basyar (Asst. Hr). Activity covering Transportation of FFB to Mill, Oil Replacement, grass cutting machine operation, Gen set operation, Carpentry, Electrical distribution and Petrol/Diesel tank.

In Labuhan Haji estate, accident involving Suprianto happened on 03/10/16 was sampled and found Hirarc was revised on 17/01/17. Found score for Hirarc done in 2016 was low and after review in 2017 still the same low. No new control measure recommended. And mentioned as effective.

At Bandar Selamat estate, the risk was assessed on 30/01/2017 by Sonny Ville Milala and approved by Syahriadi Siregar. Found chemical mixing process was not assessed but later assessed.

In Labuhan Haji estate, as Sampled on PPE issuance. Unfortunately there was no clear dates of issuance and received available on the document as sampled. Example Mandore Samingan (Division IV) Boots and google issued to 19 workers. Mandore Alis Simorangkir (Div IV) Boots and google issued to 20 workers. Mandore Tukiman Div. iv) Boots and googles issued to 20 workers. Mandore Wagimin (Div. IV) Boots and google issued to 20 workers.

Sampled respirator type of cartridge for vapour and fumes.

At Aek Nabara Selatan POM, approval of Safety and health Committee by Dinas Sosial, Tenaga Kerja dan Tranmigrasi (Rantau Prapat) dated 08/03/17. Headed by H. Ellpin Riswan, SE. Refer to Organization chart Lampiran 12.c revision 06c. for Aek Nabara Selatan estate & mill. Chairman is the Mill Manager, Ir. Iwan Hardi b. Damanik, MM), Secretaries is Staff Bidang Umum (Mr. Jefrizal Shadli Karo Karo, SH), Employer Representative is the Head of machining (Maskep Kepala) Mohd Abduh, ST, MM. Andi Johan (Representing workers) Suharto (Representing clerical staff) and Lontung Siregar and Suharto (representing mandore). Sampled meeting minutes that was reported to Dinas. (Laporan Bulanan P2K3 Triwulan IV) Bulan October 2016.). PKS Aek Nabara Selatan. Month Report December 2016 No accident was reported. Meeting was conducted on 02/12/16 attended by 17 workers including Manager and Maskep. November 2016 was conducted on 19/11/16 attended by 17 workers including manager and Maskep. October 2016 was conducted on 24/10/16 attended by 13 workers including Manager and Maskep. Safety and Health issues were discussed as evidence found in the minutes.

Compliance status :

- Yes
- No

NCR No.:
RSPO00969,
NCR No. RSPO00970,
NCR No. RSPO00971

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In Merbau Selatan estate, sampled SHC meeting conducted in February 2017 conducted on 06/03/17. Discussing related to PPE, accident, National Safety Month Campaign, February 2016 done on 08/03/16. January 2016 done on 04/02/16. March 2016 done on 08/04/16, April 2016 done on 04/05/17.

At Labuhan Haji estate, sampled meeting for OSH Committee done on 22/12/16 attended by 16 members, 30/11/16 attended by 19 members, 25/10/16 attended by 16 members. This trimonthly was reported to Panitia Pembina Keselamatan (P2K3) as Monthly Report The rest of the meeting for 2016 were conducted accordingly.

At Aek Nabara Selatan POM found a procedure (PK-3.12-08 Rev.00) for Emergency Preparedness. Type of emergency are, fire, earth quake, explosion, flood, The only missing and not included is chemical spillage. Procedure (PK-3.12-11 Rev.00) Handling and Reporting Incidents. (Penanganan Pelaporan dan Masalah Keselamatan dan Kesehatan kerja (K3).

In Labuhan Haji estate, there was accident involving rubber tapper (Jonson Mangiring Samosir) on 21/12/16 at 6.30 am. For 2016, 5 cases of accident was reported. 5 involving rubber plantation and only 1 involving palm oil plantation. On 04/10/16 Harvester (suprianto) light injury on eye due to dust while harvesting. 3 days medical leave. Accident was investigated using (Work related Incident Case) approved by Manager (H. Agus) on 04/10/16. There as a log book for distribution of first aid items/box maintained up to march 2017 by medical assistant (Mohd fauzi Azmi) . He has done checking on 14/3/17 at Division I tillV. January 2017, October 2016, August 2016, June 2016,

At Bandar Selamat estate for 3rd Quarter 2016 as reported on 31/12/16 by Syahriadi Siregar (Manager) one accident was reported involving Tunidi on 01/10/16. Leg injury while using axe. 2 days medical leave. It was reported to BPJS using form Level 1. Investigation was done on 03/10/16.

At Aek Nabara Selatan POM, there was evidence of coverage of insurance for workers as sampled Monthly Payroll for February 2017. Total number of workers = 139. Contribution BPJS (employer) 4.54% = Rp15, 537,202. While a Contribution BPJS (Employee) 2% = Rp6,884,597

In Labuhan Haji estate, as sampled a contribution made for February 2017. Total workers 508. BJPS Perusahaan 4.54% = Rp48,713,260. While for BJPS Karyawan 2% = Rp21, 459,600 . Further sampled contribution made by 2 employees Supriadi (HR Clerk) in a payslip BJPS Employee 2% = Rp63,704. BJPS Employer 4.54% = Rp144,608. Mohd Fauzi Azmi (Health Staff) BJPS Employee 2% = 39, 763 and BJPS Employer 4.54% = Rp 90, 261.

Based on field visit in Rantau Prapat estate that auditor was found wife's harvester helping his husband to collect FFB losses so that she is not covering by accident insurance and friend or brother from harvester helping harvester to collect FFB losses so that he is not covering health and accident insurance. It was raised as non-conformity (**NCR No. RSPO00970**).

At Merbau Selatan estate, a procedure (PK-3.12-11 Rev.00) Handling and Reporting Incidents. explaining the step for calculating the LTA. But in actual case it was not recorded in that manner. Under para 7.6 Accident Statistic. In Labuhan Haji estate, found no statistic of accident reported in the form of LTA. It was raised as non-conformity (**NCR No. RSPO00971**).

While in Bandar Selamat estate, Based on sampling on statistic of accident (Rekapitulasi Laporan Kecelakaan) Trivulan IV (2016) 31/12/16. It was not using LTA format. According to SOP Handling and Reporting Incidents (PK-3.16-11 Rev. 02) revised 10/02/17. At para 7.6 Accident Statistic, the method for calculation of loss time was not followed.

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

Findings:

At Merbau Selatan estate, on the Job training related to Handling of disease and worm, Manuring and Harvesting. A 2 days training at all division. Available Training Plan covering Division 1 to 6 and APK, ATU and Teknik. For 2016 it was found that only 3 trainings were planned: Fire, Harvesting and Division Administration

Compliance status :
 Yes
 No

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Sampled evidence of actual training found fire training was conducted on 12/05/16 (60 workers attended). Harvesting training was conducted on 13/05/16 11 harvesters were required to attend and post review was conducted on them but the form was not utilised for future improvement. Division Administration training was conducted on 23/05/16 (19 staff representing division). From January until June 22, 2017 on the job training was planned. Handling of disease and worm was planned on 06-11 March 2017. It was not conducted yet, Harvesting was planned on 13-18 March 2017. It was not yet conducted and Manuring was planned on 20-25 March 2017 also not yet implemented.

NCR
No.:
**RSPO0
0972**

At Labuhan Haji estate, all trainings are planned to be conducted after May 2017 for year 2017. Among them are harvesting process (May), Division Management (Jun), Clean Harvesting (Jun), RSPO Principal and Criteria (Sep). For 2016 the training related to RSPO only covering Handling Hazardous waste (B3) in Jun, RSPO in July, Problem solving July and Hypeskes (July) unfortunately only one training was conducted (B3) 09/05/16.

In Bandar Selamat estate, there was a requirement to all estate in District Manager (Ir. Ospin Sembiring, QIA) on 22/14/16 to carry out on the job training related to Fire, Clean harvesting and Division management. However only Clean harvesting training was conducted on 16 and 17/05/16. Training needs (Kebutuhan Program Pengembangan Karyawan) were available for 2016 related to harvesting, estate management, Internal quality audit, Emergency response and preparedness, Briefing on domestic waste handling, PPE awareness, Energy awareness handling emergency, hypeskes training for paramedics. However no evidence of these identified training were conducted accordingly. While for 2017, there was a training needs analysis was available where 27 trainings were planned for all level of workers including management. Plan start as early as February until June 2017. However no evidence of record that related training was conducted.

Based on description above that training plan year 2017 in Merbau Selatan, Labuhan Haji and Bandar Selamat estate has not been done except Labuhan Haji estate because training will carried out after May 2017. It was raised as non-conformit (**NCR No. RSPO00972**).

At Merbau Selatan estate, there was evidence of briefing for those handling hazardous chemicals done on 27/02/16 where 16 worker attended the briefing

In Bandar Selamat estate, There were evidence of training records compiled and kept in a file for easy reference. However for 2016 only available attendance list for OJT Clean Harvesting at Division V. on 16/05/16 and 17/05/16. attended by 54 workers each for all under Bandar Selamat estate. This was in line with the plan.

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 continuous improvement.

Findings:

The organization has documented environmental impact assessment (EIA) in accordance scope of operation covering building new roads; processing mills or other infrastructure; Putting in drainage or irrigation systems; replanting and/or expansion of planting areas; management of mill effluents; management of pests and diseased palms by controlled burning; transportation operational and etc.

Aek Nabara Selatan Estate has environmental permit based on decree of Head of Labuhan Batu District number 503.660/268/BLH-LB/2015, issued on 19/08/2015. Estate has carried out the environmental periodically report to the Environmental Head Agency of Labuhan Batu Distict.

Membang Muda Estate has Environmental Management and Monitoring document (UKL-UPL) and has been approved by Head of Environmental Agency of Labuhan Batu by decree letter number 660/383/BLH-03/2011 dated on December 15, 2011.

Estate has carried out periodically reporting in every six month to the Environmental Agency of Labuhan Batu in 2016 for periode I and II but the content of analyst inside report not covering as-

Compliance status :
 Yes
 No

NCR
No.:
**RSPO0
0973,
RSPO0
0974**

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pect of impact community perception and or public health and or increase of community income and of increase of regional economic and or bussines and work opportunity. It was raised as non-conformity (**NCR RSPO00973**).

The company can not showed evidence of environment management & monitoring plan was reviewed. It was raised as non-conformity (**NCR No. RSPO00974**).

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:

During the 3rd surveillance, there is no revised for HCV assessment document carried out in 2011. The company has identified HCV on their HGU, through the HCV assessment conducted by Re-search Center of Biological Resources and Biotechnology (PPSHB), Research Institute and Commu-nity Service, Bogor Agricultural University on September 2011.

Based on HCV executive summary report, HCV area in Aek Nabara Selatan was 98.70 Ha, consist of river bank in division 3, river bank of river 1 until river 7, dam “O”, erossion controlled (slope area), oldest flora (*Ficus sp* and *Alstonia scholaris*), with HCV type was HCV 1.1; HCV 1.3; HCV 1.4; HCV 2.3, HCV 4.1 and HCV 4.2. HCV map identification also available on the estate.

Aek Nabara Selatan Estate has record of HCV management monitoring plan implementation for 2016. Based on HCV monitoring records, monitoring result showed the HCV maintainanced was carried out properly. HCV monitoring covered for species flora and fauna monitoring, reforestation river bank, erossion monitoring, water quality sampling and others. Based HCV monitoring signboard condition also in good condition. Field visit in division 5 field number Q31 HCV 6 and division 8 field number FF25 showed the HCV area was in good condition, HCV pillars available and in good condition.

There is no revised on HCV assessment report for Membang Muda Estate. HCV assessment carried out in 2011. Based on HCV executive summary report, HCV area in Membang Muda Estate was 541.06 Ha consist of HCV 1.1; HCV 1.3; HCV 1.4; HCV 2.3; HCV 4.1 located in river bank of Membang river, Kualuh river and low land area for water reservoar. Map of HCV identification also available on the estate.

HCV management plan year 2017 has not been developed referring the result of monitoring year 2016. It was raised as non-conformity (**NCR No.RSPO00975**).

Estate has appointed the person in charge for HCV monitoring implementation based on letter number KMMDA/SKPTS/03/2016. The letter mentioned the person in charge for every division. Person in charge responsible for HCV monitoring has been trained by estate carried out on April 1, 2016, attended by 26 person from all division. The evidenced complete by training material attendant list and training photograph.

Compliance status :

Yes
 No

NCR No.:
RSPO00975

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

Findings:

At Aek Nebara Selatan POM, there was a list of identification of waste and its source. Example Solid waste have 8 items such as Waste, sherdedd press and empty bunch (from process) usedback in the estate, Boiler dust, fibre waste (process) used back in estate, Paper waste (Of-fice), Ban Bekas (maintenance), Ols spare parts (maintenance), Cangkang (Process) Used back in boiler, a metal chips (Maintenance).

While Hazardous waste: Pelumas Bekas (maintenance), Chemical waste (Lab), Used Solvent (Lab), Used Battery (Office), Tube lamp (Maintenance), Used Filter (Maintenance), Jerigen Eks Bahan Kimia (Lab), Goni Eks Bahan Kimia (Lab). Ember Plastic Eks bahan Kimia (Lab), Drum

Compliance status :

Yes
 No

NCR No.:
RSPO00977

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Bekas Oli Teknik

In Labuhan Haji estate, found available a list of hazardous waste (B3) such as Used Oil (Workshop), Contaminated chemicals (Warehouse), Used Battery (Workshop), Used Carbon paper (Office), Used ink printers (Office), Used Fluorescent tube and tube containing mercury, Used Filters, Used Gunny and containers (Plantation). Non hazardous waste was identified particularly from narsing area (organic and Inorganic) and others.

At Aek Nabara Selatan POM, sampled at Scheduled waste store and found there was signage of toxic and corrosive at the entrance door. Spillage kit was found not standby to cover emergency spillages. Fire extinguisher was found fit to be used but the first aid box need to be improved as the contents were not adequately maintained. The scheduled waste found kept as at February 2017 are Pelumas Bekas balance 63 litre, Battery 2 units, EKS Bola lampu 25 units, Jerigen Eks Bahan Kimia 205 units, Goni EKS Bahqn kimia 560n units, Ember Eks bahan kimia 28 units, Used Filter 5 units and Drum Bekas Pelumas 10 kg. This was recorded in the Monthly Inventory Report.

At Merbau Selatan estate, sampled at the Scheduled waste store (Limbah B3) and found it was properly locked. Spillage kit was available (sand). Contractor Amindy Barokoh was appointed to dispose the waste. Hazadous waste manifest were available dated 28/06/16 for 0009569 Pelumas bekas (B105d) 0.354 Ton, 0009570 Aki Bekas (B355-2) 0.090 Ton, 0009571 Contaminated goods (A108d) 0.006 Ton, 0009572 Used Filter (D251) 0.051 Ton, 00009573 Contaminated Kemasan (B104d) 0.688 Ton.

Hazardous waste was disposed off as instruction Letter from PTPN III Approved by Mill Manager on 11/05/16. Kontraktor collection is PT. Amindy Barokah from Kabupaten Deli Serdang SUMUT. Available Hazardous Waste Manifest between PTPN II and PT Amindy Barokah SUMUT. Dated 12/05/16.

Merbau Selatan estate, Prosedur Handling and benefit of Solid Waste (PK-3.12-14 Rev. 00). This procedure define plan and action needed to manage solid waste. Sample of identification of waste and source was mentioned. Action to manage the waste was clearly explained. A log book to show movement of waste is available. All domestic waste was required to be dispose by making 2 hole for organic and inorganic.

In Kebun Labuhan Haji, there was hazardous waste management and disposal plan to d avoid any pollution to environment. Amindy Barokah was appointed to dispose hazardous waste as Hazardous Waste Manifest No. 0009563-0009567-Contaminated waste B104d (1,930 ton), Pelumas Bekas B105d (0,774 Ton), Used Filter D251 (0,203 Ton), Used battery B355-2 (0,05 Ton), Used Tonner B353-1 (0.056). Available to Delivery Order dated 27/6/16.

Based on field visit to emplasment that auditor found handling domestic waste not refering to internal procedure so that the impact on soil pollution. It was raised as non-conformity (**NCR No. RSPO00977**).

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

Findings:

At Kebun Labuhan Haji, found information related to planning and actual consumption of diesel and electricity as summarize below:

Item	Dec. '16 (Plan)	Dec. (Ac-tual)	Jan '17 (Plan)	Jan '17 (Ac-tual)	Feb '17 (Plan)	Feb '17 (Ac-tual)
Diesel	7,356.078 Lit	6,243.00 Lit	6,900.25 Lit	4,060.00 lit	1,440.75 lit	1,370.00 lit
Electricity	32,140 Kw	8,810 Kw	32,140 Kw	8,105 Kw	32,140 Kw	8,201 Kw

Based on the above results show reduction in consumption. Estimated consumption also available as sampled to be used as comparison for actual consumption.

Should consider to compile the summary per year basis for easy monitoring and comparison after

Compliance status :

Yes
 No

NCR No.: -

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monthly data collected.

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 :

The company has a policy to avoid the usage of fire during land clearing or replanting presented in procedure of Land preparation for replanting, No IK-3.09-02/02, rev. 03 on date May 19, 2016. The work instruction mentioned that land preparation for replanting with zero burning.

During 3rd surveillance audit, there is replanting activities at the estate but the result of field visit that replanting activities (waste disposal and preparing land) no use of fire.

Compliance status :
 Yes
 No

 NCR No.: -

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

Findings:

During the 3rd surveillance, Estate has identified the pollution, emission and greenhouse gases identification source from all activities, such as replanting, FFB transport, spraying, fertilizing activity, transportation in estate.

Estate also has work program to reduce and minimize the significant pollutant and emission from they all activity, through the environmental management and monitoring plan carried out in every six month. On this report showed the result of air quality analysis, and also implementation of enrichment or planting on riparian buffer zone in river banks area. Based on analysis record there is no air quality parameter above the standard. example, during document verification in Membang Muda estate, plan of greenhouse gases mitigation plan was complete with target, objective and responsible person, so this plan can measurable.

The company has a system to monitoring of emission of pollutants came from estate and mill activity. The company has been conduct reporting of GHG calculation to RSPO. The company has been conduct GHG calculation in accordance with Palm GHG version 3.0.1.

The result of GHG calculation has described on section 1.12 above. During audit, the company fill in FFB production information (Rantau Prapat and Mambang Muda estate) on GHG calculator not same as plantation report year 2016. It was raised as non-conformity (**NCR No. RSPO00978**).

Compliance status :
 Yes
 No

 NCR No.: **RSPO00978**

Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, 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:

Aek Nabara Selatan Estate has documented the SIA assessment report carried out in December 2010 by North Sumatera University Research Centre. SIA assessment has identified the positive and negative impact by the estate activity. The positive impact has identified the community acces, economic livelihoods through the open recruitment for harvester from local community, religion and cultural enchancement through the religion and cultural support, health and education through the provide the clinic, trasport for education, scholarship, and others.

The SIA report has involve the consultation with affected parties. The affected parties in surrounding Aek Nabara Selatan Estate was local government (village and subdistrict), local NGO's, local Cooperative, third partys, and others. The SIA report has identified the affected parties and carried out the consultation with them to formulated the impact will appear during the estate activity. SIA also has identified and involved all of village i.e. (Gunung Selamat, N-3, N-8,

Compliance status :
 Yes
 No

 NCR No.: -

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N-5, N-7, Pematang Seleng, S-6, S-5, Suka Dame, Meranti, S-4 and Pondok Batu) complete by all formal and informal institutional.

Aek Nabara Selatan Estate has record for SIA management plan based on SIA assessment report. Management plan showed the target, monitoring plan, time and PIC also action will carried out by estate.

Company has conducted review of SIA document and document of social impact monitoring and management plan on April 2016 by internal side of company. Review of SIA document was conducted by involving community around the estate participatorily, for example: estate of Aek Nabara Selatan with village of N6, N5, N7, S4, Pematang Celeng village. The same thing was also implemented in estate of, Rantau Prapat, Mambang Muda, Labuhan Haji, Bandar Selamat. Result of interview with management of company, it was known that review of SIA and social monitoring and management plan was conducted if there was new activity, such as replanting etc, the method is in participatory way.

Related to monitoring and management plan of social impact, it was conducted by company and team of Sumatra Utara University, which is conducted once in a month along with implementation of environment monitoring/management plan (RKL/RPL)

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:

The company has open and transparent methods for communication and consultation between growers and/or millers, the local community and other affected or relevant stakeholders. The company has a documented SOP No. PK-3.00-13/01 for Communication and Consultation with Stakeholders, issued on 23 September 2014.

Based on interviews with village heads, already conduct socialization of procedure to the public

In each unit there is a Head Estate/Mill Administration and Personnel (APK) which is responsible for managing and facilitating the communication and harmonious relationships with stakeholders.

Available Directors Decrees :

1. No. 3:08 / SKPTS /R/188/2015 concerning the appointment of Rizky Awaluddin Kaban at South Aek Nabara Mill.
2. No. 3.08/SKPTS/R/61/2016 concerning the appointment of Thomas Nanda Dahana at Rantau Prapat estate.
3. SK No. 3.08/SKPTS/R/85/2013 concerning the appointment of Julipar at South Merbau Estate.
4. SK No. 3.08/SKPTS/R/00/2014 concerning the appointment of Indra Kelana at Labuhan Haji Estate.

All estates and Mill have lists of relevant stakeholders which are divided into 2 categories, i.e. internal and external stakeholders. The former consists of employees, management, board of directors and shareholders, while the latter of suppliers, customers, competitors, local community, government, journalist, investors, NGO and other relevant parties. (Code of Conduct 3rd edition, December 2012).

The organization keep and maintain list of stakeholders. Recording confirmation correspondence is documented in the log book / letter entry – exit. Efforts have been made by Administration and Personnel (APK) to ensure understanding of the community is done by placing one staff person always provide information on company evidence tape action in response to input from stakeholders also documented in the log book.

Compliance status :

- Yes
 No

NCR No.: -

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

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Findings:

The Company has a mechanism to receive and classify information required from and for stakeholders to know and understand the policy, situation, development of the company and anticipate negative issues. The company has Working Procedures Publication No. PK.3.00-06 Rev. 01 dated 15-09-2014 (one of them using online sms 9600). Its also explained company would to ensure the compalinants and whistleblower.

The company has an open system for communication and consultation with local community as represented by Work Instruction No. IK-3.09-03/0 (6th revision) dated 15 February 2010. This SOP development process was initiated by the company, but it remains non-published to stakeholders. PT PN III corporate also has call centre 9600 as an open system to receive complaints and grievances from its stakeholders, which is openly announced in the front of estate or mill offices. The call centre is centralised in Medan head office and checked daily by corporate public relationship. Any incoming complaint or request of information from stakeholders through call centre will be forwarded to relevant sections for follow-up. During 3rd surveillance audit this call centre was still newly established.

The complaint was submitted to leadership directly and subsequently reported to the Manager Estate/Mill to give answers / responses. Documentation on complaints made by staf of Document Control

There is documentation of employee complaints, namely:

- Complaints housing
- Complaints quality crop tool
- Complaint of broken bath-tub.

For example, on October 5, 2016, employee, Bambang, delivering complain about broken of ceramic in bath-tub. Regards to that complaint, company has responded and repaired that broken bath-tub.

Interview result with head of Emplasmen village and Kampung Baru village, it's known that company has been cooperative and quick response to each complaint and request from community. Public Relation Staff actively communicate with community

Compliance status :

- Yes
 No

NCR No.: -

Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Findings:

The company has a mechanism to identify and calculate the compensation, Working Procedure Conflict Resolution No. PK.3-11.11.12 Rev. 0 dated 02/25/2015.

Any risk / conflict can be resolved properly and avoid minimize losses. In the procedure described above regarding the calculation of the parties who are entitled to receive compensation

All estates have established mechanism for identification, calculation and compensation of loss of legal or traditional rights of land, which is acceptable to all parties. However, the company has initiated establishing procedure for land release through Work Instruction No. IK-3.09-03/01 (4th revision), issued on 15 February 2010.

- Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC)
- a. Minutes of meeting between claim areas Resolution Team (PTPN III) by Farmers Group Suka Damai June 14, 2009 with the conclusion that the board of Farmers Group Suka Damai ready to surrender the claim area of 99.88 hectares in AFD I with an agreement to receive compensation money.
 - b. Minutes of compensation dated March 11, 2010 and on behalf (SP) Group including 55 members and on behalf Suwandi Bin Paimin including 23 members.
 - c. Examples of individual compensation payments on behalf (SP).

In interviews with the village head of Emplasmen and village officials of Kampung Baru, it was explained that there are no indigenous land or customary rights in the area of the company. Since

Compliance status :

- Yes
 No

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the beginning of land acquisition for the construction of the estate, there is no customary land or customary rights in the area of the company.

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:

Directors Decree No. 3.17/SKPTS/R/14/2017 on Employee Salary Increase PTPN III in accordance with the North Sumatra Governor's Decree No. 188.44 /623/KPTS/2016 dated October 20, 2016 on Minimum Wage North Sumatra 2017 IDR 1,961,354,69. Staff and workers receive salary payment receipts (monthly pay slips) in a timely manner. Management staffs are paid through bank transfer, while workers paid in cash, Example: Efri Ramadan (harvester), category 1A/1, basic salary and allowances (IDR 1,968,049). There are several type of job which is contracted to third party, but there is no evaluation evidence of third party related to implementation of right and responsibility of workers, such as remuneration/wage, OHS (include of insurance), etc. It was raised as non-conformity (**NCR No. RSPO00979**).

The company has documented working agreements called Joint Employment Contract ('Perjanjian Kerja Bersama' or PKB) 2016-2018 that regulate the rights and obligations of employees/workers and still was approved by Labour Official Government.

Socialization of PKB Period of 2016 -2017 to all level of workers in estate of Aek Nabar Selatan was conducted on 25, 26, 27, 28, May 2016, in Membang Muda Estate on May 19, 2016 , at Rantau Prapat Estate on July 22,28 2016.

Company has a Collective Labor Agreement 2016/2017 period, have included: responsibilities of each parties, employers and workers union relations, changes and additions to the agreement, facilities recognition and guarantee, labor relations, working time, education and training, remuneration, permit not come to work and leave, work safety, sanction rules, termination, settlement of complaints.

The Company already provide proper facilities to all workers, i.e workers housing, sports facilities etc. Water supply for worker obtained from wellbore/electric water pump in each worker house (include in electricity allowance). Sample: South Aek Nabara Estate.

Company has worker Cooperative it's provide household goods for workers and their families, and company allow the workers to sell household goods at worker housing. (Field Observation at workers housing South Aek Nabara Estate and Mill, Merbau Estate, Membang Muda Estate, Bandar Selamat Estate). For health services PTPN III provide company's hospital at South Aek Nabara and Membang Muda. The Company has worker Cooperative its provide household goods for workers and their families, and company allow the workers to sell household goods at worker housing. (Field Observation at workers housing South Aek Nabara Estate and Mill, Merbau Estate, Membang Muda Estate, Bandar Selamat Estate).

Company provides facility and infrastructure for personnel, such as worship facility, mosque, primary health service, sport field, water collection facility, soccer field, personnel hall, child care, personnel health post and clean water source. Based on field visit to housing facility in Rantau Prapat Estate, its known that company provides sufficient housing and health facility for its personnel. Emplacement department is in charge on maintaining the facility and infrastructure for personnel. Company provides medical clinic that provides medical service for personnel and provides school bus for elementary and junior high school students.

Based on a visit to the G10 employee housing in Aek Nabara Selatan Estate and housing Block 05, it was known that housing facilities were in good condition, the availability of adequate water and clean residential neighborhood.

Compliance status :
 Yes
 No
 NCR No.:
RSPO00979

Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

<p>Findings:</p> <p>The company has a documented policy on freedom of association for workers that is available in several locations signed by PTPN III Director. Statement of freedom of association for workers is also made in Article 5 of the company's Joint Employment Contract (PKB). The policy was informed to all employees and workers through internal memorandum. There is a worker union in PTPN III, i.e. Plantation Labour Union (SPBUN).</p> <p>Documented minutes of meeting Meetings between management and representatives of SP BUN. For example, on May 19, 2016, in hall of KMMDA dormitory, it has been conducted complete committee plenary meeting, SPBUN KMMDA, attended by committee of SPBUN Membang Muda Estate and representative of corporate, discussing about condolence allowance. Whereas, based on interview with one of management of labour union that SPBUN PANAS has carried out meeting between labour union with management regularly but they can not shown evidence relate it (except discuss of resign one employee). It was raised as non-conformity (NCR No. RSPO00980).</p> <p>Based on information from worker union officer, company provides freedom for its personnel to establish union and there is no pressure or discrimination from company, and company fulfils its responsibility related to personnel's welfare matter.</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>NCR No.: RSPO00980</p>
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Criterion 6.7: Children are not employed or exploited.

<p>Findings:</p> <p>Based on the verification results of documents of employees list in February 2017 in mind that no employees in the company were under 18 years of age at the time of admission to work. There are no workers under 18 years old in Mill and Estate especially permanent workers, all of them mostly are adult person and had been working for 5 to 25 years (field Observation). Mill worker – contract based (SP) age 23 at years old at present, and working from January to March 2016 (interview with worker). And implementation in job vacancy information one of requirement is candidate must be minimum age 18 years old.</p> <p>Company have socialized about age of workers, at least 18 years old to the third party (contractor), for example, in Rantau Prapat estate, on October 11, 2016, at Aek Nabara Estate on March 31, 2016.</p>	<p>Compliance status :</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
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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>Findings:</p> <p>The companies reward employees as assets of the company with dignity regardless of race, color, religion, origin, physical barriers, gender, and age are continuously improved capacity through education and training consistently. This statement contained in the Code of Conduct PTPN III, Business Ethics and commitment to Stakeholders.</p> <p>The company has implemented a policy of equal employment opportunities to gain employment and minimum age requirements worker policy. For example: Jobs Information (workers) that require candidates are domiciled / living the operational area (Estate), senior high school graduate, physically healthy. However for the staff, recruitment information and promotion held in the central office Medan. Proof of implementation at present. Manager of Membang Muda Estate (Junaidi Wongso) is from low level worker and high school graduate becoming managerial position. However his career path is obtained based on the personal performance appraisal.</p> <p>Based on employee on February 2017, it was known that employee come from different background and social identity. The list of employee explain about name of employee, Place and Date of birth, date of recruitment, Employee origin, religion, education, local and non local, tribe, and position.</p> <p>Through interview with workers, it was confirmed that there was no discrimination on working opportunities, all workers were treated equally. Records of employee's recruitment and their contract agreement were available. In company there was no migrant worker.</p>	<p>Compliance status :</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
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Based on interview result with labour union, it was known that no discrimination on workers. The company don't treat workers in discriminative way since recruitment till working in company.

**Criterion 6.9:
There is no harassment or abuse in the work place, and reproductive rights are protected.**

Findings:

The Company has policy to protect the reproductive rights of all, especially for female worker in the company's Joint Employment Contract (PKB) Article 26, permission for 1,5 month before child birth and 1,5 after child birth and article 27 permission absent from work due to menstruation period.

Evidence of implementation Policy such as permission form absence from work (menstruation period), on behalf of (SP) dated 06-07 September 2014.

Evidence of policy socialization by worker ownership of Joint Employment Contract (buku saku PKB)

Concerning the Handling Whistle-blower mechanism, stated in the Code of Conduct PTPN III, Chapter IV Work Ethics.

1. Presented in writing and can be reported by email, stating the complaint box complete personal identity.
2. The identity of the complainant is guaranteed confidentiality by the company.
3. The information reported must be supported by evidence sufficient and reliable as the initial evidence for further investigation.

All workers should sign the Statement of Obedience to implement Code Of Conduct in every year (Evidence of policy Socialization).

Policy reproductive rights have been disseminated to all levels of employees on 18 April 2016. In addition, the policy is also posted on the office announcement board, housing, clinics and Division Offices. Based on interviews with women workers in Membang Muda Estate, It was known that the workers understand the reproductive leave entitlements, ie 2 days menstrual leave and maternity leave is three months.

There was Gender Committee Organization. Gender committee activity is education about the harassment and benefit of gender committees, education about hygiene and environmental management, reproductive counseling and benefits of breastfeeding, the activities to enhance skills of housewife. On January 6, 2017, it has been implemented socialization about harassment and benefits of gender committee, the participants were men and women around the estate.

Results of interviews with women who is spraying personnel and a kindergarten teacher stated that the company gives leaving entitlement H-1 (menstruation) and H-2 (childbirth).

Compliance status :
 Yes
 No

NCR No.: -

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

Findings:

The company has procedures to purchasing of fresh fruit bunches from third party with document No. PK-3.03-12 Rev 0, as technical guidance pricing on quality classification results of sorting and extraction of palm oil and palm kernel.

The third party FFB price determination guidelines for one week in accordance with Circular Letter inform of memorandum where include of their FFB price per kg.

The mill has contract with several FFB suppliers. Several evidences have found indicating that all parties understand contracts they have entered into and that the contracts are fair, legal and transparent including FFB pricing. Evidence of cash expenditure for FFB payment via bank.

Compliance status :
 Yes
 No

NCR No.: -

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

Findings:

The company actively contributes to local community development programmes where each estate has allocation for such activities and there are a number of documented CSR programme activities, such as road maintenance, donations to local community (upon request), participation in construction in Ranatau Prapat Estate Mambang Muda Estate. For example, the company makes contributions to local development under following evidences :

- Entrepreneur capital loan for shoe products in Pondok Batu village amount of IDR 50,000,000 and has submitted or hand over on December 2016
- Entrepreneur capital loan for broilers in Aek Nabara village amount of IDR 40,000,000 and has submitted or hand over on July 2016
- Coaching to make home interior accessories handicrafts (flower pots & tissue box/container) in Kampung Baru village and has carried out date on 20 November 2016
- Loan of capital for shoes business in Pondok Batu village IDR 50,000,000, which has been given on December 2016.
- Loan of capital for broilers business in Aek Nabara village on July 2016, IDR 40,000,000.
- Coaching to create craft for house interior (flower vase, tissue box) in Kampung Baru village, conducted on November 20, 2016.

According to discussion with Village leaders and community elder all units provides other services such as water supply, contribution to mosques, church, school etc. The estates also contribute in kind (e.g. transport etc.) to the local community's activities.

Compliance status :

- Yes
 No

NCR No.: -

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

Findings:

Results of interviews with HRD and workers unions, it was known that all the company's workers is legal, there is no illegal trafficked labor. The tracking result on the list of employees who worked in company on February 2017. It was noted no trafficked labor was found.

Based on employee data in estate and mill, there is no migrant workers/temporary migrant workers in Aek Nabara mill and estate, so this requirement not applicable

Compliance status :

- Yes
 No

Not Applicable

NCR No.: -

Criterion 6.13: Growers and millers respect human rights.

Findings:

PT PN III has a Code of Conduct stated that employees have a policy related to the rights of Human Rights. The policy applies to the PTPN III, businesses, suppliers and contractors. Human right policy to respect right and dignity of workers, treat fairly and free of discrimination, including prevention of any kind of abuse and sexual violence, and protect reproduction right as well. The company is not discriminatory in treating workers since the acceptance till work in all types of jobs. Result of interview with management side, it was known that socialization of Human Right policy was conducted by representative of management, workers union, and security. Socialization of human rights policy has been carried out on March 31, 2016.

Compliance status :

- Yes
 No

NCR No.: -

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

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<p>Findings:</p> <p>The SEIA document of PT PN III Aek Nabara Selatan Mill and Estate covered all area mill and estate. EIA document as mentioned above in principle 5.1, and was approved by environmental permit based on decree of Head of Labuhan Batu District number 503.660/268/BLH-LB/2015, issued on 19/08/2015. This EIA document was complete by document of management and monitoring plan matrix. In matrix document showed that environmental parameters such as biology, physic and socio-cultural aspect already assessed by independent consultant. All of environmental parameters complete by monitoring method, time table report, report addressed, and person in charge. While in SIA document also complete by company and also complete with aspect identification (negative and positive impact) then the SIA management plan covered all impact</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N.A</p> <p>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:</p> <p>Because the PT PN III Aek Nabara Selatan Mill and Estate not carried out the new planting since November 2005, the new soil surveys and topographic information not available, the soil and topographic information source came from HCV, and EIA document. Based on EIA document soil type in company consist of podzolic soils, i.e. Typic Paleudult (yellowish brown podzolic), and while the topographic condition was 53,40% categorized flat (0-8%) and 29,15% categorized undulating (8-15%). And there is no marginal and fragile soil in place</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N.A</p> <p>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:</p> <p>Based on hectarage statement & table 5 above that Aek Nabara Selatan, Rantau Prapat, Merbau Selatan, Labuhan Haji dan Bandar Selamat Estate, there are any oil palm planted since November 2005. Based on interview that the planting activity not replace any primary forest and secondary forest because this estate was old estate under Dutch colonial. Before palm oil mill planted, this estate planted by rubber, then in 1984 was converted to palm oil mill. Moreover, found planting year 2016 amount of 137.50 ha in Merbau Selatan estate. Based on information above it that the company has not been evidence that replanting or planting in order the optimalitation of land no replaced any area required to maintain or enhance one or more HCV. It was raised as non-conformity (NCR No. RSPO00981).</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>NCR No.: RSPO00981</p>
<p>Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	
<p>Findings:</p> <p>Based on information above in principle 7.2, about soil type and slope condition, there is no fragile and marginal soil in the company, this information based on EIA document</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N.A</p> <p>NCR No.: -</p>
<p>Criterion 7.5: No new plantings are established on local people's land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>	
<p>Findings:</p> <p>As a mentioned in principle 7.3 above, the new planting or replanting location was came from ex-rubber areas or oil palm areas too. All of this area was include in land use rights company, not</p>	<p>Compliance status :</p>

new land use rights	<input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No.: -
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Criterion 7.6: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

<p>Findings:</p> <p>As a mentioned in principle 7.3 and 7.5 above, the new planting location was came from ex-rubber areas and oil plam areas. All of this area was include in land use rights company, not new land use rights, and there is no new compensation process already done by company</p>	<p>Compliance status :</p> <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No.: -
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Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.

<p>Findings:</p> <p>Based on field observation and document verification, the new planting location already done by company not use fire in the preparation</p>	<p>Compliance status :</p> <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No.: -
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Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.

<p>Findings:</p> <p>Based on information above in 7.3, total new planting since November 2005, it consist of came from rubber areas and oil plam areas. Then based on 2nd surveillance report, the company no need to carry out the carbon stock assessment. Because all of new planting area above was covered in HCV, EIA and SIA document assessment</p>	<p>Compliance status :</p> <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No.: -
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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.

<p>Findings:</p> <p>Based on field and document verification, PT PN III Aek Nabara Selatan Mill and Estate showed the commitment to continuous improvement in all their activity, example:</p> <ol style="list-style-type: none"> 1. Water quality management, mill and estate has carried out the periodically water quality monitoring to ensure the water condition, and based on certificate analysis for surface water all the parameters meet the standard. 2. In OHS implementation, the company could showed their commitment to ensure all workers during on duty and in work area use PPE, even still found some workers still not used PPE during on duty, but the company has effort to remind all workers level should use 	<p>Compliance status :</p> <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR
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<p>PPE during on duty through in morning briefing, OHS inspection and punishment to workers if they not compliance with company regulation, because PPE and OHS was in company regulation.</p> <ol style="list-style-type: none"> 3. Rehabilitation and river bank enrichment area. The company already done carried out the forest vegetation in river bank area. 4. Based on field observation in the HCV area, the company could showed their commitment to manage the HCV area, through the condition of HCV area in field was good, riparian buffer zone maintain very well, and others. 5. In socio-cultural, and CSR, the company also has effort to maintain relationship. All CSR program made by company, approximately 90% was realization and there is no conflict was identified during the 3rd surveillance audit. 	No.: -
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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>Aek Nabara Selatan Mill is one of mills owned by PTPN III, located in Aek Nabara Selatan Village of Bilah Hulu Sub District, Labuhan Batu District, North Sumatera. PTPN III is already an RSPO member (Reg. No. 1-0030-06-000-00). Aek Nabara Selatan Mill was implemented RSPO SCCS MB for their supply chain model. This model allowed the Aek Nabara Selatan 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 3rd surveillance audit, Aek Nabara Selatan Mill has verify the volume certified and uncertified FFB an entering the mill. In year 2016, based on production records there are five (5) estate was delivered FFB certified into mill, i.e.: KANAS (Aek Nabara Selatan Estate); KRPT (Rantau Parapat Estate); KMSTN (Merbau Selatan Estate); KLAJI (Labuhan Haji Estate); KMMDA (Mambang Muda Estate). Especially KBDSL (Bandar Selamat Estate) in 2016 and 2017 not delivered they FFB to Aek Nabara Selatan Mill. This is because management was consider the distance of the KBDSL estate most closed to PT PN IV (Pulo Raja Mill). Then certified supplier was from KANAU (Aek Nabara Utara Estate) and KSSUT (Sei Sumut Estate) under PT PN III management, and outgrowers.</p> <p>Based on mass balance record 2016, total certified FFB entering to the mill was 252,287.16 mt (92.23%), and uncertified was 21,254.23 mt (7.77%). Total production of CPO certified was 54,932.98 mt and PK certified was 11,987.13 mt. For uncertified CPO production was 4,181.50 mt and PK was 954.95 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 has been recorded in to the public summary of the P&C certification report and also presented below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #D9E1F2;"> <th style="text-align: left;">Projection FFB supplied in Aug 2017 to July 2018 (Tonnes)</th> <th style="text-align: center;">OER (%)</th> <th style="text-align: center;">CPO (Tonnes)</th> <th style="text-align: center;">KER (%)</th> <th style="text-align: center;">PK (Tonnes)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">340,694.50</td> <td style="text-align: center;">23.42</td> <td style="text-align: center;">79,796.72</td> <td style="text-align: center;">4.53</td> <td style="text-align: center;">15,435.57</td> </tr> <tr style="background-color: #D9E1F2;"> <th style="text-align: left;">Projection Certified FFB supplied in August 2017 to July 2018 (Tonnes)</th> <th style="text-align: center;">OER (%)</th> <th style="text-align: center;">CPO (Tonnes)</th> <th style="text-align: center;">KER (%)</th> <th style="text-align: center;">PK (Tonnes)</th> </tr> <tr> <td style="text-align: center;">330,694.50</td> <td style="text-align: center;">23.54</td> <td style="text-align: center;">77,846.72</td> <td style="text-align: center;">4.54</td> <td style="text-align: center;">15,005.57</td> </tr> </tbody> </table> <p>Aek Nabara Selatan Palm Oil Mill registered in RSPO IT Platform (Palm Trace) with the RSPO e-</p>	Projection FFB supplied in Aug 2017 to July 2018 (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)	340,694.50	23.42	79,796.72	4.53	15,435.57	Projection Certified FFB supplied in August 2017 to July 2018 (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)	330,694.50	23.54	77,846.72	4.54	15,005.57	<p>Compliance status :</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
Projection FFB supplied in Aug 2017 to July 2018 (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)																	
340,694.50	23.42	79,796.72	4.53	15,435.57																	
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Trace member ID **RSPO_P1000001564**. During 3rd surveillance audit that Aek Nabara Selatan POM has sold certified product via Palm Trace is 8,850 mt (CPO) and 6,44.42 mt (PK).

During the 3rd surveillance audit, there is any record showed that Aek Nabara Selatan POM already sold certified product, also there is any certified claimed sold by company via green palm (book & claim). Volume of transaction via green palm period of January to March 2017 is 16,316 mt.

E.3 Documented procedures

Findings:

During the 3rd surveillance, there is revised mill procedures and work instructions especially for RSPO SCCS MB implementation, such as:

- 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 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

Compliance status :

- Yes
 No

NCR No.: -

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<p>- FM-3.03-07/02-01 (FFB Receipt Slip).</p> <p>Aek Nabara Selatan Mill has menunjuk person in charge will responsible for RSPO SCCS MB implementation, i.e.: Mill manager and Asst Mill manager. The RSPO SCCS training carried out on June 18 – 19, 2014, evidenced with attendand list and training photograph. Then in 08 April 2015, mill caried out the RSPO SCCS training for laboratory officer, process asst, foreman grading officer, production, weighing and grading clark, evidenced with attendand list and training photograph, attendant by 16 person. Year 2017, the mill is not carry out refresment or training because SCCS team no change.</p> <p>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.</p>	
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E.4 Purchasing and good in

<p>Findings:</p> <p>Aek Nabara Mill has verify the certified and uncertified volume of raw material and product for 2015. Based on production and record and mass balance record, FFB certified receiving came from six (6) estate under Aek Nabara Selatan Mill audit scope. Based on procedure 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.</p> <p>Aek Nabara Selatan 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.</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
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E.5 Record keeping

<p>Findings:</p> <p>Aek Nabara Selatan Mill has record of mass balance and receiving, processing, delivery and stock report for CPO and PK certified and uncertified for 2016. This document showed clearly total certified and uncertified FFB received, certified and uncertified product, delivery process and stock in the end of 2016 for certified and uncertified.</p> <p>During 3rd surveillance, Aek Nabara Selatan Mill in 2016, has delivered CPO certified to SAN (Sarana Agro Nusantara) under PT PN III management (PT PN III trading), and PK certified delivered to PKSMK (Kernel Crushing Plant Sei Mangkei).</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.: -</p>
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3.2 Status of previously identified non-conformities

Total 17 (seventeen) nonconformances were identified during the 2nd surveillance assessment. These consisted of 11 (seven) major non-conformities and 6 (six) non-conformities. During this surveillance assessment, it found that there was sufficient evidence for closure of all non-conformities.

The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor’s conclusions on the status of the non-conformities.

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Non Conformity Report No.	Non-conformity Description	Verification of Correction/Corrective Action	Status
1.1.1 RSPO00176	The company procedure number PK-3.00-03 Rev02 about stakeholder communication and consultation not set about time table for stakeholder list update, and Labuhan Haji estate couldn't showed evidenced of progress report of plantation business to the related official government for semester II	<p>During 3rd surveillance audit that no revision of stakeholder communication and consultation procedure (no.PK-3.00-03 rev.02) regarding time table for stakeholder list update.</p> <p>Whereas, report of plantation business semester I & II year 2016 has available and has submitted to relevant agency (Forestry & Plantation Agency in Labuhanbatu District) dated on February 9, 2017 via letter number KLAJI/X/SP02/2017 (2nd semester) and July 13, 2016 via letter number KLAJI/X/07/2016 (1st semester). This condition was closed.</p>	Open so ex-citation be major status (RSPO0095 4)
1.2.1 RSPO00177	Found in Aek Nabara Selatan dan Membang Muda estate document SE No. 3.00/SE/01/2015 dated on 08/04/2015 about public transparency still not complete as a required in RSPO principle and criteria	The company has submitted the evidence of new letter document about public transparency with document number 3.00/SE/02/2016 dated on April 2016. This letter addressed to all estate district under PT PN III. This letter complete with attachment of document type will allowed to publically access, there are 36 type document can access by public/stakeholders responsibly and was compliance with RSPO principle and criteria requirement.	Closed
1.3.1 RSPO00178	Found in Labuhan Haji estate, document Code of Ethical Conduct not yet communicate to the third party/outsource	During 3 rd surveillance audit, Labuhan Haji estate has carried out code of ethical conduct brief to third party / outsource on March 28, 2016. evidenced with attendant list, with total third party/outsource; attendant list of third party workers, there area 15 third party workers was invited the Code of Ethical Conduct brief in division V, II, while for third party workers carried out on April 01, 2016. Whereas, other estate has not carried out dissemination of code of ethical conduct to the third party/outsource. It was raised as non-conformity again in 3 rd surveillance audit (NCR No. RSPO00955)	Open so ex-citation be major status (RSPO0095 5)
2.1.1 RSPO00179	1. There is no evidence that the soil erosion already done measured by company as a required in management and	1. The company has submitted the result of erosion measurement for field with slope 40% as required in RKL-RPL document	Open so ex-citation be potential of suspend

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Non Conformity Report No.	Non-conformity Description	Verification of Correction/Corrective Action	Status
	<p>monitoring report (RKL-RPL) document, example in Aek Nabara Selatan estate.</p> <p>2. Medical clinic in the company during the audit was not valid. And there is no record of company effort to renew the clinic licence, example in Labuhan Haji estate.</p> <p>3. Licensed for hazardous collector of PT Putra Tunas Sejati (Hazardous Authorized Collector) was not valid during the audit.</p> <p>4. The company not carried out the medical check (cholinesterase test) for all chemical workers, example in Membang Muda estate</p>	<p>and was submitted to the Environmental Official Government for Semester II.</p> <p>2. The company has submitted the renewal license of medical clinic for Labuhan Haji estate.</p> <p>3. The company has submitted the new license for hazardous collection of PT Putra Tunas Sejati with license number B-11924/Dep.IV/LH/PDAL/10/2014 dated on October 22, 2014 issued by Ministry of Environmental.</p> <p>4. The company has submitted the result of cholinesterase test for all chemical workers in Membang Muda estate, and the result showed that the all of chemical workers passed the test. Whereas, other estate has not carried out medical check (cholinesterase test). It was raised as non-conformity again in 3rd surveillance audit (NCR No. RSPO00967)</p>	(RSPO00967)
4.1.4 RSPO00180	Based on verification record of FFB supplier third party/outsourcer carried out on March 27, 2015 was not compliance with company procedure.	The company has submit the result of FFB third party/suppliers verification, evidenced by attendant list of FFB third party verification dated on April 23, 2016, attendant by 14 person from UD. Usaha Bersama, complete with identification of land owned area (ha), and also complete with legal land use rights (SHM)	Closed
4.6.9 RSPO00181	There is no record of chemical handling training already done for sprayer workers in Labuhan Haji estate	<p>During 3rd surveillance audit, Labuhan Haji estate has provided the chemical handling training for sprayer workers in 2016 and complete with attendant list, training material and socialization/brief/dissemination to the related workers.</p> <p>Labuhan Haji estate has done carried out the chemical training for sprayer workers evidenced by invitation letter number KLAJI/INT/173/2016 dated on April 6, 2016 about chemical handling training invitation will carry out on Thursday 07 April, 2016 in Division IV. Then chemical handling training already done carried out by company in the same date as a mentioned</p>	Closed

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Non Conformity Report No.	Non-conformity Description	Verification of Correction/Corrective Action	Status
		in training invitation letter, attendant by 13 chemical workers complete by training material, photograph and training certificate	
4.6.11 RSPO00182	There is no record of medical check (cholinesterase test) carried out in every six month as a mentioned in chemical recommendation letter number 560/205/DSTK/2014 for Mambang Muda estate.	Mambang Muda estate has submitted the medical check program, while the medical check for cholinesterase test will carry out on June 2016. During 3 rd surveillance audit that Mambang Muda has showed the result of medical test for cholinesterase test dated on 26 June 2016. Whereas, other estate has not carried out medical check (cholinesterase test) in 3 rd surveillance audit. It was raised as non-conformity again (NCR No. RSPO00967).	Open so ex-citation be potential of suspend (RSPO00967)
4.7.1 RSPO00183	There is no safety induction to visitors during the audit, when the auditor carried out the plant tour in mill, the also found in powerhouse area and clarification process not complete with signboard for high noisy area.	Aek Nabara Selatan POM has submit the evidence that all security was commit about safety induction for all visitors before they go to plant tour, and photograph the signboard for all works area already installed	Closed
4.7.3 RSPO00184	Found during the plant tour in mill, some workers not used PPE on duty, example in loading ramp area, boiler area.	Aek Nabara Selatan POM has submit the evidence of boiler workers and loading ramp area workers used PPE during on duty through the photograph, and commitment letter from workers in mill, mentioned that they will using PPE during on duty	Closed
5.1.3 RSPO00185	There is no evidence that the protocol monitoring record already done reviewed by company in two years	3 rd surveillance audit that the company has showed the protocol monitoring record but the company has not carried out review of environment management plan/environment monitoring plan minimum 2 year.	Open so ex-citation be major status (RSPO00974)
5.2.2 RSPO00186	Couldn't showed monitoring record of RTE species i.e.: <i>Lutra sumatrana</i> in the company HCV area	The company has submit the RTE monitoring result for <i>Lutra sumatrana</i> , carried out on April 11, 2016 in Rawa Jeper HCV area, division V.	Closed
5.2.4 RSPO00187	The company couldn't showed evidenced that RTE species monitoring result became feedback for HCV management plan evaluation.	The company has submitted the HCV management plan year 2016 based on RTE species monitoring result, especially in Rawa Bakung, Rawa Jeper, as location for RTE species <i>Lutra sumatrana</i> . The HCV management plan was completed with management plan, method, action plan, time table and PIC for im-	Open so ex-citation be major status (RSPO00975)

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Non Conformity Report No.	Non-conformity Description	Verification of Correction/Corrective Action	Status
		<p>plementation.</p> <p>Whereas, HCV management plan year 2017 has not composed refer to monitoring activities result year 2016 (RTE species monitoring, conservation tree monitoring, HCV areas monitoring, etc) so that this is condition still as non-conformity.</p>	
5.6.2 RSPO00188	The mitigation program to reduce and minimize the greenhouse gases in Labuhan Haji estate was not complete with time table and person in charge	The company has submit the mitigation program to reduce the significant pollutant and emission complete with time table, action plan, and person in charge for 2016 & 2017	Closed
6.1.1 RSPO00189	There is no evidence that the SIA management plan has been evaluated by the company	The company has submit the result of SIA management plan evaluation. The result showed the proposed of the SIA management plan, action plan will implemented, person in charge, time table for all aspect impact (positive and negative) has been identified in SIA assessment report	Closed
6.1.4 RSPO00190	There is no evidence that the SIA management plan has been evaluated and estate couldn't showed that the SIA management plan has been developed was involved the affected parties	During 3 rd surveillance audit that the company has submit the evidence of SIA management plan evaluation carried out on April 14, 2016, attendant by 32 person from company and community affected parties, and also result of evaluation, while the result showed the each village affected, follow up activity, time table, person in charge, expcted condition, type of activity and others, for 2016	Closed
6.5.2 RSPO00191	Mill and estate couldn't showed the Work Agreement (PKB) has been approve by the related official government and evidence of work agreement socialization to all workers level.	The company has submit the work agreement or Joint Employment Contract has been approved by related official government, invitation letter for work agreement socialization, and attendant list of socialization example for estate i.e.: Membang mmuda, Aek Nabara selatan dan Aek Nabara Selatan Palm Oil mill, example for Aek Nabara Selatan, was attended by 100 person (all level workers in that estate)	Closed
E.5 RSPO00192	Found discrepancy between delivery record with delivery realization recapitulation of certified and uncertified sold. In 2015, based on delivery record was 57,262.942 mt for CPO and PK	Aek Nabara Palm Oil Mill submitted the evidence explanation about discrepancy. This discrepancy happened because mistaken during the record in the mass balance report. The real data certified product sold	Closed

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Non Con- formity Report No.	Non-conformity Description	Verification of Correc- tion/Corrective Action	Status
	11,107.332 mt. Then, based on certified recapitulation sold for 2015, CPO delivered was 42,084.130 mt and PK was 7,666.950 mt.	under green palm from Aek Nabara Palm Oil Mill only was 60,473 mt for CPO, this still under the maximum capacity statement in certificate. And there is no certified PK sold under green palm from Aek Nabaran Palm Oil Mill.	

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

A total of **29** nonconformances were identified during the 3rd surveillance assessment. These consisted of **18** 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 an on-site verification audit conducted on 0 as well as 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:

3.3.1. 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”.

Indica- tor	NCR No.	Evidence Observed	Dead- line for im- ple- men- tation (Date)	Correc- tion/Correctiv e Action tak- en/	Auditor Conclu- sion
RSPO Certifi- cation System 4.2.4	RSPO 00953	<ul style="list-style-type: none"> • Procedure of audit of management system (PK-3.16-03 rev.02) • Schedule of internal audit for management system year 2017 • Description of findings for partial certification assessment still general and support evidence was not available • Time bound plan for RSPO certification has updated and considered to be both challenging and realistic. 	12 April 2017	<ul style="list-style-type: none"> • The compa- ny will carry out addition- al internal audit to un- certified ob- ject for par- tial certifica- tion as- sessment 	Open (suspend)
		<ul style="list-style-type: none"> • Report for uncertified company. This is include time bound plan and internal audit result regarding partial certification. • Time bound plan has updated and considered to be both challenging and realistic. Detail information has showed in Appendix 5.a & 5.b. • Internal audit regarding partial certification was conducted on 3 July 2017 by Budiarjo Ikhwan, Ahmad Rivai Nasution, Khairul Fachry Lubis, Andy Andreyra Putra, Sahat Simanjuntak and Idham Matondang and in- 	15 July 2017	<ul style="list-style-type: none"> • To ensure that partial certification assessment to uncertified object include of regular internal audit (1st or 2nd semester) 	Closed (15 July 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>interview with targeted stakeholders (list of targeted stakeholder has stated on section 3.5.B). Detail information has showed in Appendix 5.c.</p> <ul style="list-style-type: none"> Some documents or reports as support evidence are the hectare statement per February 2017, collective agreement (Perjanjian Kerja Bersama) period of 2916-2017 between company with labour union (it has approved by both parties and witnessed by local government), list of accusation/claim cases per year 2016, procedure of conflict resolution (PK-3.18-12 rev.01), procedure of solving occupation/claim problem (PK-3.18-17 rev.0), environment document for all POMs & their supply base as uncertified object (environment impact analyst (AMDAL) or environment management effort/environment monitoring effort (UKL/UPL) or environment evaluation document or environment monitoring and management document), HCV document for all POMs and their supply base, organization structure of Bipartite Cooperation Institute for all POMs and their supply base, director decree no. 3.17/SKPTS/R/14/2017 dated on 24 January 2017 regarding increase of salary year 2017 each level, sample of salary slip period May 2017 with level 1A/2 & 1A/1 as harvester (employee ID : 14.24.12370 & 13.24.10806), plantation business permit & their revision (if any) for all POMs and their supply base, land use change analyst (LUCA) on behalf Sei baruhur estate & Sei Kebara estate, compensation program proposal in order compensation and remediation procedure for Muara Opu & Ampolu areas and list of requirement to prepare compensation panel stage. 			
1.1.1	RSPO 00954	Revision of communication and consultation procedure (no.PK-3.08-03 rev.04 revision date on 3 April 2017) where estate/unit identifying all stakeholders least one year and recording inside FM 3.08-03/03.	10 April 2017	<ul style="list-style-type: none"> Revision of communication and consultation procedure (PK-3.08-03) regarding schedule of up-dating list of stakeholder & who do up-dating it and mech- 	Closed (12 May 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
				anism of distributing it. <ul style="list-style-type: none"> Assistant of administration and finance or assistant of human resource updating list of stakeholder The result of checking the list of stakeholder put in form no.FM.3.08-03/03. 	
1.3.1	RSPO 00955	<ul style="list-style-type: none"> The company has carried out re-dissimination of the code of conduct to sub-contractor or third party in except Labuhan Haji estate Re-dissimination record/document was available as example invitation letter, attendant list, re-dessemination material and photograph Statement of compliance (Pernyataan Kepatuhan) was signed by top management of third party/outsourc. 	17 March 2018	<ul style="list-style-type: none"> Carry out the brief/socialization of Code of Ethical Conduct document to all third party workers/outsourc e, complete with attendant list, invitation letter and brief material The company will dissemination code of conduct to new third party or to ensure existing third party has participate in dissemination of code of conduct 	Closed (19 May 2017)
2.1.1	RSPO 00956 to RSPO 00959	<u>NCR No. RSPO00956</u> Revision of list of law and regulation in Aek Nabara Selatan POM, Mambang Muda estate, Labuhan Haji estate, Aek Nabara Selatan estate, Rantau Prapat estate and	12 April 2017	<ul style="list-style-type: none"> To update list of law and regulation with fill in Ministry of 	<ul style="list-style-type: none"> Closed (14 May 2017) Open

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
	& RSPO 00970	<p>Merbau Selatan estate has included Ministry of Agriculture no. 11/Permentan/OT.140/3/2015 regarding ISPO, Ministry of Forestry decree no. P.48 year 2008 regarding handling of the conflict people with wild fauna and Ministry of man power decree no.15 year 2008 regarding first aid in working areas. It has closed</p> <p><u>NCR No. RSPO00957</u></p> <ul style="list-style-type: none"> • Schedule of general medical surveillance in Mambang Muda estate since April to December 2017 amount of 616 employees. General medical surveillance in April 2017 was participated by 44 employees and the result of general medical surveillance from Mambang Muda hospital was available so that it has closed. • Schedule of general medical surveillance in Aek Nabara Selatan POM since April to December 2017 amount of 111 employees. General medical surveillance in April 2017 was participated by 7 employees and the result of general medical surveillance from Aek Nabara hospital was available so that it has closed. • Schedule of general medical surveillance in Labuhan Haji estate since May to December 2017 amount of 432 employees. General medical surveillance in May 2017 was participated by 54 employees.and the result of general medical surveillance was not available.so that it has not closed. • Schedule of general medical surveillance in Rantau Prapat estate since April to December 2017 amount of 52 employees. General medical surveillance in April 2017 was participated by 16 employees.and the result of general medical surveillance was not available.so that it has not closed. • Schedule of general medical surveillance in Aek Nabara Selatan estate since April to December 2017 amount of 346 employees. General medical surveillance in April 2017 was participated by 21 employees.and the result of general medical surveillance was not available.so that it has not closed. • Schedule of general medical surveillance in Merbau Selatan estate since May to December 2017 but their name of employee not available. General medical surveillance in May 2017 was participated by 8 employ- 		<p>Agriculture no. 11/Permentan/OT.140/3/2015 regarding ISPO, Ministry of Forestry decree no. P.48 year 2008 regarding handling of the conflict people with wild fauna and Ministry of man power decree no.15 year 2008 regarding first aid in working areas on FM-3.18-01/01</p> <ul style="list-style-type: none"> • Create of schedule of general medical surveillance for all employees year 2017 and carried out general medical surveillance refer schedule above. 	<p>(RSPO 00957)</p> <ul style="list-style-type: none"> • Open (RSPO 00958) • Closed (17 April 2017) • Open (RSPO 00970)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>ees.and the result of general medical surveillance was available.so that it has not closed.</p> <ul style="list-style-type: none"> Schedule of general medical surveillance in Labuhan Haji estate since May to December 2017 amount of 432 employees. General medical surveillance in May 2017 was participated by 54 employees.and the result of general medical surveillance from Mambang Muda hospital was available.so that it has closed <p><u>NCR No. RSPO00958</u></p> <ul style="list-style-type: none"> List of first aid box in Aek Nabara Selatan estate per 16 May 2017 where it has filled in dated on 24 March 2017. All items has completed accordance regulation (Per.15/Men/VIII/2008). The mill has not been inventorying or checking total of first aid box and bag, completeness of its contents for first aid box.. Based on condition it so that still open status. Division/afdeling I to VI and PPK – Rantau Prapat estate was received some items dated on 16 March 2017 from clinic officer or nurse. Based on condition it, first aid box in division/afdeling-I has completed appropriate their category and compliance with regulation. Procedure of health service and performance report of first level health facility (PK-3.19-13 rev.01). Data of first aid bag inventory in Rantau Prapat estate was available covering the name of officer which have trained as first aid officer. There are 29 first aid bags in Rantau Prapat estate. Harvesting and maintenance supervisor has received some items dated on 6 July 2017 in order complating first aid bag such as alcohol, aquades, gloves, cotton, plester, tweezers, betadine and gauze. Whereas, total of first aid box in Rantau Prapat estate amount of 15 boxes. <p><u>NCR No. RSPO00959</u></p> <p>The company has provided some evidences as correction action as below :</p> <ul style="list-style-type: none"> The company have evidence of compulsory company manpower report (no. 560/039/DSTK/2016) from Social and Manpower Agency in Labuhanbatu Utara district. Letter no. KMMDA/X/26/2016 dated 			

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>on 20 February 2016 from Mambang Muda estate to Social and Man Power Agency in North Sumatera Province regarding extension of time for compulsory company manpower report permit.</p> <ul style="list-style-type: none"> • Rantau Prapat estate have evidence of compulsory company manpower report (no. 560/WL.31/DTK-1/2017 dated 01 March 2017) from Manpower Agency in Labuhanbatu District • Aek Nabara Selatan estate have evidence of compulsory company manpower report (no. 560/WL.28/DTK-4/2017 dated 01 March 2017) from Manpower Agency in Labuhanbatu District • Aek Nabara Selatan estate & Rantau Prapat estate has submitted plantation business report period of 1st & 2nd semester year 2016 to Plantation Agency in Labuhanbatu District dated on 27 march 2017 & 7 April 2017. <p><u>NCR No. RSPO00970</u> The company has not provided evidence</p>			
		<p><u>NCR No. RSPO00957</u></p> <ul style="list-style-type: none"> • Schedule of general medical surveillance in Aek Nabara Selatan estate since April to December 2017 amount of 346 employees. General medical surveillance in April, May 2017 was participated by 126 employees and the result of general medical surveillance was available so that it has closed. • Schedule of general medical surveillance in Bandar Selamat estate since July to December 2017 amount of 375 employees. General medical surveillance in June 2017 from Sei Dadap hospital was participated by 8 employees and the result of general medical surveillance was available so that it has closed. • Schedule of general medical surveillance in Merbau Selatan estate since May to December 2017 amount of 743 employees. General medical surveillance in May 2017 was participated by 8 employees and the result of general medical surveillance from Aek Nabara hospital was available so that it has closed. <p><u>NCR No. RSPO00958</u></p> <ul style="list-style-type: none"> • Photograph of some items as content of 			<ul style="list-style-type: none"> • Closed (11 July 2017) • Closed (15 July 2017) • Closed (7 July 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>first aid box which appropriate requirement in regulation at Rantau Prapat estate.</p> <ul style="list-style-type: none"> The mill has been inventorying or checking total of first aid box and completeness of its contents for first aid box. Total of first aid box in Aek Nabara Selatan POM is 15 boxes with category of A and current condition that the content has completed according regulation. Based on condition it so this is NCR has closed. <p><u>NCR No. RSPO00970</u></p> <ul style="list-style-type: none"> The estate manager issuing circular letter regarding taking sanction/punishment to employee, supervisor Integrity statement from assistant of division/afdeling regarding punishment to assistant of division/afdeling if any harvester bring wife or friend/brother to helping collection of FFB loses Statement letter from harvester regarding they will not bring wife or brother/friend to helping collection of FFB loses and aware will give sanction if any found it. Dissemination to all relevant parties especially harvester and supervisor of harvesting regarding circular letter it The company creating flow chart & form of monitoring and reporting till issued punishment/sanction decree by estate manager Check list of harvester monitoring regarding no bring assistant of harvester (wife or brother/friend, etc) 			
4.5.1	RSPO 00964	<ul style="list-style-type: none"> Form of document revision and publish approval for IK-3.09-03/12 where it has approved by head of plantation department dated on 7 April 2017 so that it is 2nd revision. Table of document revision identification or comparing content between old and new. Work instruction no.IK-3.09-03/12 rev.02 finally 	10 April 2017	<ul style="list-style-type: none"> Revision of IK-3.09-03/12 regarding adding mechanism of attack level determination of ganoderma disease To ensure that every activities/operation shall stated inside procedure 	Closed (14 May 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
4.6.2	RSPO 00965	<ul style="list-style-type: none"> Revision of agrochemical used record (posat & sida-up) for wiping of the weeds year 2016 in division/afdeling I & II – Labuhan Haji estate. It has informed total areas, volume of agrochemical used, volume of ingredient, volume of ingredient per hectare, LD-50 but it has not informed total of sprayer/employees used. 	12 April 2017	Revision of record of pesticide used in Labuhan Haji estate relate adding the information of LD-50, volume of ingredient used per ha, and total of employee which applied	Open (suspend)
		<ul style="list-style-type: none"> List of sprayer in division/afdeling I from CV Putra Labuhan Batu (7 persons : Toni Samosir, Joko, Hendrik, Marlan, Atik, Sunarsih & Anto) and it has balanced or realisted with volume of agrochemical used and total areas in division/afdeling I. List of sprayer in division/afdeling II from CV Nurul year 2016 (14 persons : iskandar, irwansyah, tugiman, windo rifai, pairan, wahyudi, jumari, purwandi, membot, mungil, sugi, tukinah, ranti and paini) and it has balanced or realisted with volume of agrochemical used and total areas in division/afdeling II 	15 July 2017		Closed (15 July 2017)
4.6.5	RSPO 00966	<ul style="list-style-type: none"> Letter no. KRPPPT/X/71/2017 dated 3 April 2017 regarding use of PPE from estate manager to sixth subcontractor company. Photograph of maintainance supervisor using PPE dated on 17 March 2017 in division/afdeling II – Rantau Prapat estate Photograph of maintainance supervisor using PPE in division/afdeling I – Labuhan Haji estate Letter no. KMMDA/X/62/2017 dated 20 March 2017 regarding use of PPE from estate manager to the thrid subcontractor company. 	12 April 2017	<ul style="list-style-type: none"> Ensure or monitoring or patrol to all sub-contractor employee in Aek Nabara Selatan estate, Mambang Muda estate, Rantau Prapat estate & Labuhan Haji estate has been used PPE (provided by sub-contractor company) every morning Provide of PPE appropriate their job and risk for maintainance supervisor (division/afdeling 1 – Labuhan 	Open (suspend)
		<p>The company has been provided some evidences of improvement relate of PPE for sprayer employee (subcontractor) such as :</p> <p><u>Rantau Prapat estate</u></p> <ul style="list-style-type: none"> Photograph of handover of PPE from the subcontractor company to sprayer employees in division/afdeling 1 to 6 – Rantau Prapat estate (each company is four employees except division/afdeling 1 & 4 is five persons). Each sprayer employee has received some PPEs i.e hat, masker, apron, boot shoes and rubber gloves and it has used by them. The list of handover PPE in division/afdeling 2 (CV Sarua Indah), 3 (CV Si- 	15 July 2017		Closed (15 July 2017)

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		<p>lumba), 4 (CV Pratama), 6 (CV Merah putih & CV Garuda Mas) – Rantau Prapat estate to sprayer employees (division/afdeling 2 : Kandar, Anggi, Bowo, Manto & Riki, 3 : Bawor, Alim, Bambang, Darmawan, Ali, 4 : Edi, Nasir, Dono, Iman & Untung, 6 : Andika, Bu Regar, Nasution, Oki & Rizki, Eliastri, Yudapratama, Arti, Rantina & Raman). Handover was carried out dated on 18 May & 12 July 2017 from subcontractor company with type of PPE are boot shoes, apron, masker, rubber gloves and glasses.</p> <p><u>Labuhan Haji estate</u></p> <ul style="list-style-type: none"> The list of handover PPE in division/afdeling 5 (CV Yakin Coy & CV SAW), 3 (CV Putra Labuhanbatu), 2 (CV Nurul) & 1 (CV Tenaga Baru) – Labuhan Haji estate to sprayer employees (division/afdeling 5 : Ngatino, Juara, Tumino, Yudhi, Iwan, Sardi, Eko, 3 : Feri Fernanto, Fauzi, Rahmat & Budi; 2 : Iskandar, Irwansyah, Tugiman & Windo R and 1 : Andi, Nando, Gendut & Riko). Handover was carried out dated on 11 July 2017 from subcontractor company with type of PPE are boot shoes, apron, masker, rubber gloves and chemical glasses. Photograph of handover of PPE from the subcontractor company to sprayer employees in division/afdeling 1 (CV Tenaga Baru), 2 (CV Nurul), 3 (CV Putra Labuhanbatu), 5 (CV Yakin Coy & CV SAW) – Labuhan Haji estate (each company is four employees except CV SAW i.e three employees). Each sprayer employee has received some PPEs i.e masker, apron, boot shoes, rubber gloves. <p><u>Aek Nabara Selatan estate</u></p> <ul style="list-style-type: none"> The list of handover PPE in division/afdeling 1 (CV Silbers), 2 (CV Gumana Sakti), 3 (CV Nusantara Abadi), 4 (CV Dayumi), 5 (CV Naga Mas), 6 (CV Rajun Jaya), 7 (CV Deyuni Jaya) – Aek Nabara Selatan estate to sprayer employees (division/afdeling 1 : Massaid, Arif, N. Siahaan, S. Manurung & Bakhtiar, 2 : Mesdi, Ramal, Jumari & Buyung), 3 : Giren, Aditiar, Warno, Dedi & Toni Sayuthi, 4 : Sarwo, Godel, Budiarto, Maman & Bardi), 5 : Faisal, Atok, Talimin, Asong, 6 : Roni, Kelik, Adi, Pardi & Jumadi, 7 : Surono, Ponimin, Lasimin, Bagus Hendra, Arif Hidayat). 		Haji estate & division/afdeling 2 – Rantau Prapat estate) during controlling and carry out activities.	

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		<p>Handover was carried out dated on 12-13 July 2017 from subcontractor company with type of PPE are hat, boot shoes, apron, masker, rubber gloves and chemical glasses.</p> <ul style="list-style-type: none"> • Photograph of sprayer employee has used all PPEs (apron, rubber gloves, glasses, boot shoes and masker) appropriate their risk for all subcontractor companies above. <p><u>Mambang Muda estate</u></p> <ul style="list-style-type: none"> • The list of handover PPE in division/afdeling 5 (CV Abadi Jaya), 4 (CV Tenaga Baru), 2 (CV Yakin Coy) – Mambang Muda estate to maintainance employees (division/afdeling 5 : Sipon, sampah, Warsilam, Ponem & Wati, 4 : Herman Pane, Putra, Andika, Tuter & Juanda, 2 : Tuter, Solar, Arman, Desi, Atik, Supri, Pia, Mida, Nizar, Butet). Handover was carried out dated on 6 & 13 July 2017 from subcontractor company with type of PPE are maintainance employee : boot shoes, masker and cloth gloves; sprayer employee : booth shoes, glasses, masker, rubber gloves; and manual maintainance : boot shoes & cloth gloves. • Photograph of sprayer employee, maintainance employee and manual maintainance employee has used all PPEs appropriate their risk for all subcontractor companies above. <p>The list of handover PPE to maintainance supervisor in division/afdeling 1 to 6 (except 3) – Rantau Prapat estate i.e A.Ridwan, M.Jali, Suryadi, Suhardiman & Junaidi. Handover was carried out dated on 12 July 2017 with type of PPE are hat, boot shoes, apron, masker, rubber gloves and glasses. Moreover, photograph of maintainance supervisor has used all PPEs it.</p>			
4.6.11	RSPO 00967 to RSPO 00968	<p><u>Aek Nabara Selatan estate</u></p> <ul style="list-style-type: none"> • Letter no.KANAS/X/138/2017 dated on 1 April 2017 regarding medical check up from Aek Nabara Selatan estate manager to sixth subcontractor company • Medical surveillance record for third party employee in Aek Nabara Selatan estate from Prodia laboratorium on behalf : <ul style="list-style-type: none"> ○ Sairin (laboratorium number : 1704060012 dated on 6 April 2017) with 	10 April 2017	<ul style="list-style-type: none"> • The company doing medical check up/surveillance to employee for cholines-trase parameter 	Open (suspend)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>status is normal</p> <ul style="list-style-type: none"> ○ Fitri Dihar (laboratorium number : 1704060009 dated on 6 April 2017) with status is over ○ Bagus Hendra (laboratorium number : 1704060010 dated on 6 April 2017) with status is normal ○ Lasimun (laboratorium number : 1704060011 dated on 6 April 2017) with status is normal ○ Aditiyar (laboratorium number : 1704060008 dated on 6 April 2017) with status is normal <ul style="list-style-type: none"> • Schedule of medical surveillance for third party employee in Aek Nabara Selatan estate year 2017. CV Rajun Jaya & CV Gumana Sakti has done medical surveillance in April 2017. Whereas, fifth other subcontractors is May to December 2017. It is not appropriate with requirement so that those evidence reject by auditor. • Medical surveillance record for Aek Nabara Selatan estate employee in from Prodia laboratorium on behalf : <ul style="list-style-type: none"> ○ Danson damanik (laboratorium number : 1704200032 dated on 20 April 2017) with status is normal ○ R.Ritonga (laboratorium number : 1704200029 dated on 20 April 2017) with status is over ○ Paino (laboratorium number : 1704200033 dated on 20 April 2017) with status is normal ○ Ponidi (laboratorium number : 1704200031 dated on 20 April 2017) with status is normal ○ M. Sinambela (laboratorium number : 1704200028 dated on 20 April 2017) with status is normal <p><u>Rantau Prapat estate</u></p> <ul style="list-style-type: none"> • Tabel of the result of medical surveillance from Aek Nabara hospital on behalf some employees in Aek Nabara Selatan estate which has carried out dated on 17 April 2017, 13 April 2017 & 18 April 2017 with one of parameter is cholinestrase. No evidence of laboratorium sheet from hospital or independent laboratorium. • Schedule of medical surveillance for 		<ul style="list-style-type: none"> • To ensure that third party employee has carried out medical surveillance with cholinestrase paramter 	

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Indica- tor	NCR No.	Evidence Observed	Dead- line for im- ple- men- tation (Date)	Correc- tion/Correctiv e Action tak- en/	Auditor Conclu- sion
		<p>Rantau Prapat estate's employee year 2017 i.e April, June to December 2017.</p> <p><u>Mambang Muda estate</u></p> <ul style="list-style-type: none"> • Medical surveillance record for third party employee in Mambang Muda estate from Prodia laboratorium on behalf : <ul style="list-style-type: none"> ○ Tukur (laboratorium number : 1704200013 dated on 20 April 2017) with status is normal ○ Juanda (laboratorium number : 1704200012 dated on 20 April 2017) with status is normal ○ Putra (laboratorium number : 1704200016 dated on 20 April 2017) with status is normal ○ Andika (laboratorium number : 1704200015 dated on 20 April 2017) with status is normal ○ Herman Pane (laboratorium number : 1704200014 dated on 20 April 2017) with status is normal • List of Mambang Muda's employee for medical surveillance include of type of measurement • Schedule of general medical surveillance year 2017 and list of employee name will check up in April 2017 from Mambang Muda estate. The result of general medical check up from Mambang Muda hospital with parameter of rontgen, EKG, laboratorium and fisic. <p><u>Aek Nabara Selatan POM</u></p> <ul style="list-style-type: none"> • Schedule of general medical surveillance year 2017 and their result for 13 employees. <p>Communication between PT Perkebunan Nusantara III (Persero) with Medan OSH Agency regarding appointed as provider of medical surveillance (letter no.B.157/BK3-MDN/V/2017 dated on 15 may 2017 and 3.21/X/11/2017 dated on 10 May 2017). Medan OSH Agency can carry out measurement duration July to August 2017.</p> <p>The result of medical surveillance with cholin-estrase parameter for internal employee and third party employee was available on behalf Aek Nabara Selatan estate only whereas oth-</p>			

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>er estate not available.</p> <p><u>Medical surveillance record for PT Perkebunan Nusantara III (Perero) employee</u></p> <ul style="list-style-type: none"> • Medical surveillance record (laboratorium number : 81.E/LHU-KES/BK3-MDN/VII/2017 dated on 5 July 2017) for employee in Rantau Prapat estate from Medan OSH Agency on behalf Sabdun (warehouse supervisor), Basirudin (warehouse supervisor), Ahmad Ridwan (maintenance supervisor), Junaidi (maintenance officer) with status is normal. • Medical surveillance record (laboratorium number : 79.E/LHU-KES/BK3-MDN/VII/2017 dated on 5 July 2017) for employee in Aek Nabara Selatan estate from Medan OSH Agency on behalf Pujiono (office operator), Supardi (office operator), Maruassa S (office operator), Danson Damanik (office operator), Misno (maintenance supervisor), Saroha Manik (maintenance supervisor), Umar (maintenance supervisor), Hendrik Silaen (maintenance supervisor) with status is normal. • Medical surveillance record (laboratorium number : 78.E/LHU-KES/BK3-MDN/VII/2017 dated on 5 July 2017) for employee in Labuhan Haji estate from Medan OSH Agency on behalf Sofyan Anwar Nasution (warehouse of agrochemical supervisor), Ngatiran (maintenance officer), Tukino (maintenance officer), Sutarno (mixing officer), Turino (mixing officer), Parhimpunan (mixing officer), Darto (mixing officer), Sigit (mixing officer) with status is normal. • Medical surveillance record (laboratorium number : 77.E/LHU-KES/BK3-MDN/VII/2017 dated on 5 July 2017) for employee in Aek Nabara Selatan POM from Medan OSH Agency on behalf M.Isya Sebayang (water analyst officer), Saul Efendi Sembiring (water analyst officer), Rahmadhan BB (warehouse officer) with status is normal. • Medical surveillance record (laboratorium number : 76.E/LHU-KES/BK3- 	15 July 2017		Closed (14 & 15 July 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>MDN/VII/2017 dated on 5 July 2017) for employee in Merbau Selatan estate from Medan OSH Agency on behalf J. Marpaung (warehouse officer), Tukimin (warehouse officer), Bambang Suryawan (maintenance supervisor), Hasanuddin (maintenance supervisor), Nopri Heriandi (maintenance supervisor), Sumarno (maintenance supervisor) with status is normal.</p> <ul style="list-style-type: none"> • Medical surveillance record (laboratorium number : 75.E/LHU-KES/BK3-MDN/VII/2017 dated on 5 July 2017) for employee in Bandar Selamat estate from Medan OSH Agency on behalf Agus Mardianto (warehouse of agrochemical officer), Ari Wahyu Jaya (warehouse of agrochemical officer), Rohadi (maintenance supervisor), Iriyanto (maintenance officer), Sunyono (maintenance officer), Sandim (maintenance officer), Sutrisno (pest maintenance officer), Zanun (pest maintenance officer) with status is normal. <p><u>Medical surveillance record for third party employee</u></p> <ul style="list-style-type: none"> • Medical surveillance record for third party employee in Bandar Selamat estate from Prodia laboratorium on behalf : <ul style="list-style-type: none"> ○ Susi Susanti (laboratorium number : 1707060005 dated on 6 July 2017) with status is normal. ○ Setia Wati (laboratorium number : 1707060007 dated on 6 July 2017) with status is normal ○ Neni Asniar (laboratorium number : 1707060006 dated on 6 July 2017) with status is over ○ Wahyu Saputra (laboratorium number : 1707060008 dated on 6 July 2017) with status is normal • Medical surveillance record for third party employee in Merbau Selatan estate from Prodia laboratorium on behalf : <ul style="list-style-type: none"> ○ Sahrul Anwar Rambe (laboratorium number : 1503230004 dated on 23 March 2015) with status is normal. It is representative from CV Merah Putih ○ Sunartik (laboratorium number : 1503230005 dated on 23 March 2015) with status is normal. It is representative 			

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>from CV Jefri</p> <ul style="list-style-type: none"> ○ Yatini (laboratorium number : 1503230008 dated on 23 March 2015) with status is normal. It is representative from CV Jefri ○ Ismaniar Panjaitan (laboratorium number : 1503230006 dated on 23 March 2015) with status is normal. It is representative from CV Sarua Indah ○ Marlina Wati (laboratorium number : 1503230007 dated on 23 March 2015) with status is normal. It is representative from CV Putra Natama <ul style="list-style-type: none"> • Medical surveillance record (laboratorium number : 65.E/LHU-KES/BK3-MDN/VII/2017 dated on 12 July 2017) for third party employee in Labuhan Haji estate from Medan OSH Agency on behalf : <ul style="list-style-type: none"> ○ Feri Firnando with status is normal. It is representative from CV Putra Labuhanbatu ○ Fauzi with status is normal. It is representative from CV Putra Labuhanbatu ○ Windo Ripai with status is normal. It is representative from CV Tenaga Baru ○ Irwansyah with status is normal. It is representative from CV Nurul ○ Iskandar with status is normal. It is representative from CV Nurul <p><u>Medical surveillance programme</u></p> <ul style="list-style-type: none"> • Medical surveillance programme period of 2nd semester year 2017 to third party employee for cholinestrase parameter as below : <p><u>Bandar Selamat estate</u></p> <ul style="list-style-type: none"> ○ July 2017 to third CV Chadizah Coy's employees (Riadi, Birin & Jaman) in Division/afdeling 1 – Bandar Selamat estate ○ July 2017 to fifth CV Chadizah Coy's employees (Nemi Asniar, Parjo, Raminem, Sugiono, Safarudin) in Division/afdeling 2 – Bandar Selamat estate ○ July 2017 to sixth CV Tirayoh's employees (Susi Susanti, Satino, Slir, Jamal, Dedi, Iwan) in Division/afdeling 3 – Bandar Selamat estate ○ July 2017 to third CV Tirayoh's employees (Wahyu Saputra, Putra & Hasan) in Division/afdeling 4 – Bandar Selamat es- 			

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>tate</p> <ul style="list-style-type: none"> o July 2017 to sixth CV Davi Perkasa's employees (Rio, Yudi, Supiah, Wagini, Sisah & Tugiman) in Division/afdeling 5 – Bandar Selamat estate o July 2017 to third CV Davi Perkasa 's employees (Setia Wati, Titin & Honi) in Division/afdeling 6 – Bandar Selamat estate <p><u>Labuhan Haji estate</u></p> <ul style="list-style-type: none"> o July 2017 to fourth CV Tenaga Baru's employees (Nanda, Irwan, Wahyu, Resit) in Division/afdeling 1 – Labuhan Haji estate o July 2017 to eighth CV Nurul's employees (Irwansyah, Iskandar, Windo R, Tugiman, Membot, Mungil, Sugi, Tukinah) in Division/afdeling 2 – Labuhan Haji estate o July 2017 to fourth CV Putra Labuhanbatu's employees (Feri Fernando, Fauzi, Rahmad, Budi) in Division/afdeling 3 – Labuhan Haji estate o July 2017 to fourth CV Yakin Coy's employees (Ngatino, Juari, Tumino, Yudhi) in Division/afdeling 4 – Labuhan Haji estate o July 2017 to third CV SAW's employees (Iwan, Sardi, Eko) in Division/afdeling 5 – Labuhan Haji estate <p><u>Rantau Prapat estate</u></p> <ul style="list-style-type: none"> o July 2017 to fifth CV Garuda Mas's employees (Arti, Eliastri, Yuda Pratama, Rantina, Raman) in Division/afdeling 6 – Rantau Prapat estate o July 2017 to fourth CV Merah Putih's employees (Bu Regar, nasution, Oki, Rizki) in Division/afdeling 6 – Rantau Prapat estate o July 2017 to fourth CV Sarua Indah's employees (Anggi, Bowo, Manto, Rizki) in Division/afdeling 2 – Rantau Prapat estate o July 2017 to sixth CV Putra Natama's employees (Beti, Ana, Asna, Ali, Satya, Ija) in Division/afdeling 2 – Rantau Prapat estate o July 2017 to fourth CV Silumba's employees (Bawar, Alim, Bambang, Alim) in Division/afdeling 3 – Rantau Prapat estate 			

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4.7.2	RSPO 00969	<ul style="list-style-type: none"> • The company has provided : <ul style="list-style-type: none"> ○ The revision of HIRAC in division/afdeling IV – Mambang Muda estate, division/afdeling 1 – Aek Nabara estate and process section in Aek Nabara POM while assessing date on 19 January 2017. The result of risk assessment has consistent because determinate or formulation of risk level, impact and propability has consistent too ○ The revision of HIRAC in division/afdeling V – Labuhan Haji estate was available where risk controlling for hervesting activity near electric cable own government electric company has revised too. Moreover, it has added fertilizing activities and their potensial of hazardous. 	10 April 2017	<ul style="list-style-type: none"> • Revision of risk assesment result and resetting value or point accordance risk and propability of extreme, high, medium and low. • Revision of result of risk assesment for all type of activities include og fertilizer activity • Hazardous source identificationm risk assesment and control (HIRAC) mechanism refer to PK-3.16-02 point 7.2.14 to 15 and carry out least one year for all activities and documented 	Open (suspend)
		The company has revised corrective action for these NCR			Closed (23 May 2017)
4.8.1	RSPO 00972	The company has provided the estate manager decree no. KMSTN/SKPTS/01/2016 daetd on 27 December 2016 and all relevant document regarding on job training in Merbau Selatan estate and training need analysis year 2017.	10 April 2017	<ul style="list-style-type: none"> • Keeping all documents or records for all disseminations or tranings for training presenting by head of fice • Create of training shall based on TNA per person or function 	Open (suspend)
		Evidence of correction action from other estate has not been submitted so that still open status. The company has provided evidence of correction action as below : <ul style="list-style-type: none"> • Minute of dissemination and their attendant list regarding use of family kaver in harvesting activity where it has carried out 8 February 2017 in division/afdeling 1 – Bandar Selamat estate, regarding domestic waste 	15 July 2017		Closed (15 July 2017)

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		<p>handling. It has carried out 2 May 2017 in Bandar Selamat estate, regarding code of conduct edision III date on 13 February 2017 in Bandar Selamat estate, regarding use of PPE date on 27 February 2017 in division/afdeling III – Bandar Selamat estate, regarding non-harrasement or violance to women date on 17 April 2017 in Bandar Selamat estate, regarding IPM date on 16 February 2017 in Bandar Selamat estate, regarding re-dissemination of prohibit of using agrochemical in riparian date on 20 April 2017, regarding risk identification and mitigation date on 3 April 2017 in Bandar Selamat estate, etc</p> <ul style="list-style-type: none"> • Revision of training schedule year 2017 in Bandar Selamat from 28 type of training be 16 type of training because old version still include training schedule from head office. • Revision of training schedule year 2017 in Merbau Selatan estate be 3 activities because on job training only. Re-training of fertilizing and IPM has carried out on 23-24 March 2017. • Revision of training schedule year 2017 in Labuhan Haji estate from 4 activities be 7 activities i.e problem solving & decision making, filling system & document centre, handling agrochemical, emergency response team, first aid officer, management system of PTPN III, quality, OSH and RSPO. On job training regarding handling agrochemical has carried out dated on 22 May 2017 		<ul style="list-style-type: none"> • Distribution of schedule time of training prevalent 	
5.1.3	RSPO 00974	<ul style="list-style-type: none"> • Recapitulation of environment document status under PT Perkebunan Nusantara III (Persero) per January 2017 • Environment document on behalf Mambang Muda estate, environment management and monitoring report on behalf Aek Nabara Utara estate and Aek Nabara Selatan POM semester I year 2016, Head of Labuhanbatu District decree no. 503.660/271/BLH-LB/2015 dated on 19 August 2015 regarding environmental permit on behalf Aek Nabara Utara estate & Aek Nabara Selatan POM. <p>Information of the result of environment document other object was not available so that it still open status.</p>	10 April 2017	<ul style="list-style-type: none"> • The company reviewing environment document and submit the request of revision to government if any change • The result of review shall documented 	Open (suspend)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>The company has provided some documents as evidence of correction action as below :</p> <ul style="list-style-type: none"> • Memorandum no. 3.11/3.16/MO/27/2017 dated on 20 July 2017 from head of risk management & information technology section to technology section regarding request of the revision of environment document on behalf Aek Nabara Utara estate and Aek Nabara Selatan estate. Background of condition it that position of Aek Nabara Selatan POM base on the land use right is Aek Nabara Utara estate permit. Based on environment document that Aek Nabara Selatan POM include in environment document of Aek Nabara Selatan estate. • Environment document on behalf Aek Nabara Selatan estate and Aek Nabara Utara estate • Memorandum no.3.11/3.16/MO/12/2017 dated on 6 July 2017 regarding the result of management and monitoring plan evaluation/review on behalf Rantau Prapat estate and Mambang Muda estate. No change matrix of management and monitoring iplan in Rantau Prapat estate because source of impact no change too and total areas in hectare statement accordance with total areas in land use right (HGU). Whereas, environment document on behalf Mambang Muda estate still in revision process by north sumatera university as consultant (reference letter no. 608.2/UN5.2.3/PPM/KS/2017 dated on 5 Juni 2017) because total areas in hectare statement with total areas in land use rught (HGU) is different. • Head of Labuhanbatu District decree no. 503.660/268/BLH-LB/2015 dated on 19 August 2015 regarding environmental permit on behalf Aek Nabara Selatana estate. Scope of permit is palm oil plantation amount of 7,312.68 ha (include of infrastucture or facilities) and land application amount of 216 ha in division/afdeling II. 	15 July 2017		Closed (15 July 2017)
5.2.4	RSPO 00975	<p>The company has provided evidence of correction action i.e :</p> <ul style="list-style-type: none"> • HCV management plan year 2017 on behalf Rantau Prapat estate still generic or same as HCV assessment report so that it has accomodated result of HCV monitoring 	10 April 2017	Revision of HCV management year 2017 which has refer to result of HCV monitoring year	Open (suspend)

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Indica- tor	NCR No.	Evidence Observed	Dead- line for im- ple- men- tation (Date)	Correc- tion/Correctiv e Action tak- en/	Auditor Conclu- sion
		<p>year 2016 or existing condition.</p> <ul style="list-style-type: none"> • HCV management plan year 2017 on behalf Aek Nabara Selatan estate still generic or same as HCV assessment report so that it has accomodated result of HCV monitoring year 2016 or existing condition. • HCV management plan year 2017 on behalf Mambang Muda estate (division/afdeling III) still generic or same as HCV assessment report so that it has accomodated result of HCV monitoring year 2016 or existing condition 		2016.	
		<p>The company has provided evidence of correction action as below :</p> <ul style="list-style-type: none"> • Revision of HCV management plan year 2017 on behalf Aek Nabara Selatan estate which has accomodated the result of HCV monitoring year 2016 as example repair or maintain signboard of HCV which it has break condition, re-paint for green belt sign, instalment of water flow tool, planting bamboo and <i>hibiscus sp</i>, etc. Moreover, has submitted hcv monitoring report year 2016 (2nd semester). • Revision of HCV management plan year 2017 on behalf Bandar Selamat estate, Labuhan Haji estate, Mambang Muda estate, Merbau Selatan estate and Rantau Prapat estate which has accomodated the result of HCV monitoring year 2016. Moreover, has submitted hcv monitoring report year 2016 (2nd semester). 	10 July 2017		Closed (10 July 2017)
6.5.1	RSPO 00979	<p>The company has submitted some evidences as correction action as below :</p> <ul style="list-style-type: none"> • Merbau selatan estate (division/afdeling I to VI (except division/afdeling III)) has carried out investigation of wage from tenth third party employee. The result of investigation is maintenance employee has received payment/wage per day (basic wage and transportation) accordance to district minimum wage/salary. • Calculation of third party employee wage and performance adjustment and district minimum wage. Based on calculation it that third party employee has got wage/salary above district minimum wage year 2016 with based on work performance basis. • Method of calculate is 184 oil palm tree per manday x 4/7 manday (“hari orang kerja”) = 	12 April 201	The estate evaluating third party (sub-contractor) regulary relate implementing the right and obligation for their employee as example wage, OSH, etc	Closed (17 April 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>105 oil palm tree & district minimum wage/salary in Labuhanbatu Utara district year 2016) : 105 oil palm tree so that it has overed from district minimum wage/salary.</p> <ul style="list-style-type: none"> Form of wage/salary evaluation for third party employee in division/afdeling I to VI (except division/afdeling III) was available. Statement letter from tenth, fourteenth & eighth third party employee in division/afdeling I to VI (except division/afdeling III) that they are receive salary/wage based on work performance and transportation and health insurance. 			
7.3	RSPO 00981	<p>The company has provided evidence of</p> <ul style="list-style-type: none"> Map of HCV in Labuhan Haji estate, Merbau Selatan estate and Rantau Prapat estate. Statement letter no. KMSTN/BA-HCV/NKT/01/III/2017 dated on 31 March 2017 regarding immature areas (year of planting 2016) in Merbau Selatan estate amount of 137.50 ha not convert HCV areas. Statement letter no. KRPPPT/BA/01A/2017 dated on 31 Januari 2017 regarding immature areas (year of planting 2016) in Rantau Prapat estate amount of 127.60 ha not convert HCV areas. Statement letter no. KLAJI/BA/07A/2017 dated on 31 Januari 2017 regarding immature areas (year of planting 2017) in Labuhan Haji estate amount of 67.09 ha not convert HCV areas. HCV assessment report on behalf Merbau Selatan estate. Agreement between company with third party/subcontractor regarding conversion and replanting activities 	12 April 2017	<ul style="list-style-type: none"> Create of land use change analyst (LUCA) period of November 2005 to 2011 (before HCV assessment) as evidence that year of planting November 2005 above (Labuhan Haji and Rantau Prapat estate) and year of planting 2016 (Merbau Selatan estate) not convert HCV areas 	Open (suspend)
		<p>The company has provided evidence of correction action as below :</p> <ul style="list-style-type: none"> Land use change analysis report on behalf Labuhan Haji estate. The result of land cover since November 2005 till 2011 is conversion from rubber to oil palm plantation majority, before November 2005 is rubber and oil palm areas so that no virgin forest, secondary forest and agroforestry of multispecies areas. Land use change analysis report on behalf Merbau Selatan estate. The result of land 	14 July 2017	<ul style="list-style-type: none"> Conversion of plantation type activities shall prepare of total of conversion areas and plantation map include of HCV information. 	Closed (14 July 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>cover since November 2005 till 2011 is before November 2005 is rubber and oil palm areas (majority is rubber areas) so that no virgin forest, secondary forest and agroforestry of multispecies areas.</p> <ul style="list-style-type: none"> Land use change analysis report on behalf Rantau Prapat estate. The result of land cover since November 2005 till 2011 is conversion from rubber to oil palm plantation and before November 2005 is rubber and oil palm areas (majority is rubber areas) so that no virgin forest, secondary forest and agroforestry of multispecies areas. <p>Land use change analysis has prepared by third party from PT Perkebunan Nusantara III (Persero) i.e Koompasia Enviro Institute (Henry Marpaung and Harry Kurniawan).</p> <p>Support document regarding justification LUCA and documentation of conversion activities in Merbau Selatan estate is photograph of before conversion or conversion process in division/afdeling I & VI, barchart of conversion and replanting activities (May to December 2016), conversion and replanting norma or standard with chemist mechanism (circular letter no 3.09/SE/23/2016 dated 29 December 2016).</p>			

3.3.2. 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

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
2.1.3	RSPO 00960	<ul style="list-style-type: none"> The company has sent correction and corrective action request and some evidences i.e Letter 	17 March 2018	<ul style="list-style-type: none"> The company carry out monitoring or evaluation of compliance to law and regulation accordance PK-3.18-01 point 7.5 Keep the result of monitoring/evaluation of compliance to law and regulation and distribution to all 	Closed (14 May 2017)

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Indicator	NCR No.	Evidence Observed	Dead-line for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		no.05/B/III/KH-RS/2017 dated on 30 March 2017 from Rina Sitompul & partners law office to PT Perkebunan Nusantara III (Persero) regarding approval relate of doing compliance audit or evaluation of compliance to law & regulation year 2017 • The implementation of this CAR will seen in the next surveillance		districts, estates and mills under PTPN III (Persero) • To ensuring evaluation/monitoring compliance to law and regulation has done early year.	
2.1.4	RSPO 00961	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> The company carry out evaluation/monitoring of compliance to law and regulation by discipline in early year To ensure the result of evaluation/monitoring shall distribute to all districts, estates and mills under PTPN III (Persero) and has received it. To ensure mechanism of evaluation and their document appropriate with PK-3.18-01. 	Closed (8 May 2017)
2.2.5	RSPO 00962	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> Create of dispute/occopasion map for block P14-15, Q14-15 (division/afdeling IV – Rantau Prapat estate) with participatory mapping mechanism which involving multi-stakeholders affected The company will create of map for other dispute / claim / occupasion / problem areas / land with involving multistakeholder affected 	Closed (19 May 2017)
4.1.2	RSPO 00963	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> Internal audit shall covering checking or monitoring of operations procedures. To ensure intrnet connection can using everyday by centre support of-ficer. Management Representative (MR) in each District downloading all procedures or working instructions as 	Closed (14 May 2017)

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Indica- tor	NCR No.	Evidence Observed	Dead- line for imple- men- tation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
				back up if any emergency condition as example electric off or intranet connection trouble, etc. <ul style="list-style-type: none"> All procedures and or work instructions in form of hard copy has been expired must destroyed especially IK-3.01-03/14 revision 0 and PK-3.12-11 revision 0 at Merbau Selatan estate and Labuhan Haji estate. The company disseminating revision of procedure to management and employee in estate and mill especially IK-3.01-03/14 revision 2, PK-3.12-11 revision 2, PK-3.11-19 revision 2 (form of the balance sheet of hazardous & toxic waste) & PK-3.16-45 revision 2 (form of cheking PPE & hand over PPE). 	
4.7.6	RSPO 00970	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> The estate manager issuing circular letter regarding taking sanction/punishment to employee, supervisor Integrity statement from assistant of division/afdeling regarding punishment to assistant of division/afdeling if any harvester bring wife or friend/brother to helping collection of FFB loses Statement letter from harvester regarding they will not bring wife or brother/friend to helping collection of FFB loses and aware will give sanction if any found it. Dissemination to all relevant parties especially harvester and supervisor of harvesting regarding circular letter it The company creating flow chart & form of monitoring and reporting till issued punishment/sanction decree by estate manager Check list of harvester monitoring regarding no bring assistant of harvester (wife or brother/friend, etc) 	Closed (7 July 2017)
4.7.7	RSPO 00971	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> EHS officer in estate shall using form of lost time accident appropriate procedure Management Representative in District office shall educate or dissemination to new EHS officer about fill in accident information accordance PK- 	Closed (21 June 2017)

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Indicator	NCR No.	Evidence Observed	Dead-line for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
				3.16-07 <ul style="list-style-type: none"> Assistant of administration & finance or assistant of human resource checking information of statistic of accident or OSH committee report especially use of loss time accident form 	
5.1.2	RSPO 00973	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> Environment management & monitoring plan report next semester (semester II year 2016) covering impact of community perception and or public health and or increase of community income and or increase of regional economic and or employment/bussiness opportunity so that it is appropriate to matrix of environment management & monitoring plan Management Representative in District office and assistant of administration & finance checking fullfil requirement it inside report Estate manager submitted memorandum or letter to processing department in head office regarding implement of environment management & monitoring plan shall accordance matrix inside environment document 	Closed (14 July 2017)
5.2.5	RSPO 00976	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> Dissemination of HCV to community surrounding Merbau Selatan estate i.e community in Merbau Selatan estate village, Merbau Selatan village and Babussalam village Keeping all documentations regarding dissemination it as example invitation letter, dissemination material, attendant list and photograph. 	Closed (7 July 2017)
5.3.3	RSPO 00977	The company has sent correction and corrective action request and some evidences as below : <ul style="list-style-type: none"> Intern no.18/2017 dated on 20 March 2017 from Merbau Selatan manager to head of division/afdeling & section regarding 	17 March 2018	<ul style="list-style-type: none"> Provide of domestic waste hole (allocation for organic and non-organic) behind each house/emplasment Provide of domestic waste bins with category of organic and non-organic. Monitoring of domestic waste handling and record of monitoring results Re-dissemination of domestic waste managing 	Closed (15 May 2017)

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
		<p>provide of plank and direct control or monitoring to emplasment about environmental hygiene</p> <ul style="list-style-type: none"> • Attendent list dated on 21 March 2017 regarding dissemination of domestic waste managing/handling and their photograph. Participant is top management in Merbau Selatan estate • Minute of dissemination dated on 7 April 2016 in division/afdeling III – Merbau Selatan estate and their attendant list & photograph • Minute of dissemination dated on 23 March 2017 in division/afdeling I – Merbau Selatan estate and their attendant list & photograph. Participant is wife's employee <p>The implementation of this CAR will seen in the next surveillance</p>			
5.6.3	RSPO 00978	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance	17 March 2018	<ul style="list-style-type: none"> • Revision of FFB production in GHG calculator appropriate actual or FFB production report • The company submit to certification body regarding the result of net emission after revision • The company will ensuring all informations/datas in GHG calculator is true before it is as public consumption or public document 	Closed (15 May 2017)
6.6.2	RSPO	The company has	17	<ul style="list-style-type: none"> • All meetings between work/labour 	Closed

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Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
	00980	sent correction and corrective action request. The implementation of this CAR will be seen in the next surveillance	March 2018	union with management in head office level or unit level shall be recorded <ul style="list-style-type: none"> Record/document keeping shall be maintained by Document Control Centre officer and secretary of labour union in unit level 	(18 April 2017)

3.4 Noteworthy Positive Components and Potential for Improvement

Positive Observation:

No.	Indicator	Positive Comments
-	-	-

Potential for Improvement:

No.	Indicator	Potential for improvement
1.	2.2.2	Perusahaan sudah melakukan pemantauan patok HGU setiap semester dan terdapat laporannya. Sebaiknya setiap patok HGU yang terdapat di laporan pemantauan dicantumkan titik koordinat
2.	2.2.3	Kasus sengketa lahan di Kebun Rantau Prapat Afdeling IV Blok P14, P15, Q14, Q15 sebaiknya segera diselesaikan melalui penyelesaian konflik yang telah diterima melalui keputusan bebas, diutamakan dan diinformasikan (Free, Prior, Informed Consent (FPIC))
3.	4.4.2	Kebun Merbau Selatan sudah memiliki catatan mengenai penggunaan air. Sebaiknya terdapat informasi di dalam catatan tersebut mengenai waktu yang digunakan untuk memompa air serta perhitungan konversi angka flow meter menjadi kubikasi.
4.	4.7.4	Notulen Rapat P2K3 sebaiknya mempunyai perincian pembahasan masalah keselamatan dan kesehatan kerja.
5.	5.1.2	Sebaiknya dalam menyusun jadwal atau rencana pengelolaan dan pemantauan lingkungan berdasarkan matrik rencana pengelolaan dan pemantauan lingkungan yang terdapat di dalam dokumen lingkungan.
6.	6.1.3	Disarankan bahwa bukti-bukti rencana pengelolaan dan pemantauan dampak sosial yang dilakukan melalui konsultasi dan komunikasi dengan pihak-pihak yang terkena dampak dicatat atau direkam dengan baik.

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No.	Indicator	Potential for improvement
7.	6.3.2	Disarankan adanya peningkatan kembali pencatatan setiap keluhan karyawan kebun dan PKS.
8.	6.13.1	Disarankan agar adanya kebijakan atau peraturan Hak Asasi Manusia secara khusus yang diantaranya mengacu kepada UU No. 39 tahun 1999 tentang Hak Asasi Manusia.

3.5 Issues Raised by Stakeholders and Findings Pertaining to Issues

A) Issues Raised during Stakeholder Consultation Meeting

No.	Issues Raised	Management Response	Audit Verification
1	Part of areas decrease because there are expand of regional	Legal aspect in-process with National Land Agency and local government	Fisic still oil palm and rubber plantation because release assest still approval process in ministry.
2	There are part of estate areas do have land use right as example sei mujur, muara opu, etc	The company has submitted all applications to national land agency	Based on some documents that muara opu, sei mujur , etc in-process

B) Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Audit Verification
1	Harvester bring wife or brother to collect FFB losses in estate	It is correct. It has raised as NCR
2	Wage refer to province minimum wage or province sector minimum wage	Internal employee refer to province sector minimum wage whereas thrid party employee refer to district minimum wage or district sector minimum wage

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3.6 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

Signed on behalf of PT TUV Rheinland Indonesia

Name:

AHMAD DIPONEGORO

Position:

Kepala Bagian

Date:

.....
Viknesvaran Paramasivan

Lead Auditor (under monitoring)

Date : 16 Augustu 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 Systems: 2014**

Certificate Registr. No. : 824 502 14024

Certificate Holder : PT TUV Rheinland Indonesia certifies :
PT Perkebunan Nusantara III (Persero)
Aek Nabara Selatan Palm Oil Mill,
Bilah Hulu Subdistricts,
Labuhan Batu District, North Sumatera, Indonesia;



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

An audit was performed, Report No. ASA3-14024. Proof has been furnished that the requirements according to RSPO Principles & Criteria for Sustainable Palm Oil Production; Generic Standard year 2013 are fulfilled.

The due date for all future surveillance audits is 23.03 (dd.mm).


Validity: The certificate is valid from 23 May 2014 until 22 May 2019. 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 : May 23, 2014

Indonesia, 04-09-2017


PT TUV Rheinland Indonesia
Director

Note : Certificate no18502897 001 dated 23rd May 2014 previously issued by TUV Rheinland Malaysia Sdn. Bhd. is no longer valid.

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.

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 Systems: 2014**

Certificate Registr. No.: 824 502 14024

Location: **PT Perkebunan Nusantara III (Persero)**
 Address : **Aek Nabara Selatan Palm Oil Mill, Bilah Hulu Subdistricts, Labuhan Batu District, North Sumatera, Indonesia**

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Aek Nabara Selatan Mill	Bilah Hulu Sub District, Labuhan Batu District	02° 03' 42" N	99° 57' 20" E
Aek Nabara Selatan	Aek Nabara Village, Bilah Hulu Sub District, Labuhan Batu District	02° 03' 29" N	99° 57' 19" E
Mambang Muda	Perkebunan Mambang Muda Village, Kualuh Hulu Sub District, North Labuhan Batu District	02° 33' 02" N	99°49' 20" E
Rantau Prapat	Jl. Lintas Sumatera Utara Rantau Prapat, Bilah Barat Sub-District, Labuhan Batu District	02° 03' 32" N	99° 48' 04" E
Merbau Selatan	Merbau Selatan Estate Village Merbau Sub-District, North Labuhan Batu District	02° 12' 30" N	99° 49' 54" E
Labuhan Haji	Labuhan Haji Village, Kualuh Hulu Sub District, North Labuhan Batu District	02° 32' 10" N	99° 42' 20" E
Bandar Selamat	Perkebunan Bandar Selamat Village, Aek Songsongan Sub District, Asahan District	02° 12' 00" N	99° 33' 00" E

CPO Tonnage Total Production*: 79,796.22 tonnes
 PK Tonnage Total Production*: 15,435.57 tonnes
 Company Estates FFB Tonnages*: 330,694.50 tonnes
 FFB Tonnages from other sources*: 10,000.00 tonnes
 CPO Tonnage claimed for certification: 77,846.72 tonnes
 PK Tonnage claimed for certification: 15,005.57 tonnes

* Projected data August 2017 to July 2018

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, 04-09-2017

Issued by PT TUV Rheinland Indonesia


 PT TUV Rheinland Indonesia
 Director

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Appendix 2 : Surveillance Audit Plan

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
Senin 13 Maret 2017				
05.35 – 08.00	Flight Jakarta – Medan	HF, BS, DN	-	GA 180 (05.35 – 08.00) First Flight to KNO
07.35 – 07.35	Flight Kuala Lumpur - Medan	VP, YN		
08.15 – 14.00	Audit in SAN - Belawan	HF		RSPO SCCS
08.15 -	Travelling airport to Estate	BS, DN, VP, YN		
14.00 -	Travelling SAN Belawan to estate	HF		
Selasa 14 Maret 2017				
Aek Nabara Selatan POM 08.00 – 08.30	Opening Meeting	All Auditor	Top Management & Related Manager	-
08.30 – 12.00 Aek Nabara Selatan POM	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Legal complaine ○ Long term economic ○ Agrochemical ○ Enviromental issue ○ HCV ○ Waste ○ GHG ○ Labor issues ○ SCCS 	HF	Mill Manager and related PIC	Criterion 2 Indicator 2.1. Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 6 Indicator 6.1 to 6.13 Module E
08.30 – 12.00 Aek Nabara Selatan 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 complaine ○ SOP ○ Liquid waste & use of water ○ OSH ○ Training ○ Waste ○ Effeciency energy ○ 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 4.1; 4.4; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4 Criterion 8 Indicator 8.1
08.30 – 12.00 Aek Nabara Estate	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance 	DN	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

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
	<ul style="list-style-type: none"> - Land dispute - Environmental management 			Criterion 8 Indicator 8.1
08.30 – 12.00 Aek Nabara Estate	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Legal land - Management plan - Best practice & IPM - Environment issue - HCV - GHG - Continous improvement 	BS	Estate Manager and related PIC	Criterion 2 Indicator 2.1; 2.2 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.4; 4.5; Criterion 5 Indicator 5.1; 5.2; 5.6
08.30 – 12.00 Aek Nabara Estate	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Transperancy & code of conduct - Law and regulation compliance - SOP - Agrochemical - OSH - Training - Waste - Effeciency energy - Zero burning - Continous improvement 	VP	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.1; 4.6; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5
12.00 – 13.00	Break and Shalat			
13.05 – 17.30	Continue the audit plan			
Rabu 15 Maret 2017				
08.00 – 12.00 Rantau Prapat estate	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Legal complaince ○ Long term economic ○ Best practice ○ Agrochemical ○ Enviromental issue ○ HCV ○ Waste ○ GHG ○ Labor issues 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1. Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.5; 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 6 Indicator 6.1 to 6.13
08.00 – 12.00 Rantau Prapat estate	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Transperancy & code of conduct ○ Legal complaince ○ SOP ○ Liquid waste & use of wa- 	YN	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.1; 4.4; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
	<ul style="list-style-type: none"> ter o OSH o Training o Waste o Efficiency energy o Zero Burning o Continues improvement 			Criterion 8 Indicator 8.1
08.00 – 12.00 Mambang Muda Estate	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Land dispute - Environmental management 	DN	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 8 Indicator 8.1
08.00 – 12.00 Mambang Muda Estate	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Legal land - Management plan - Best practice & IPM - Environment issue - HCV - GHG - Continuous improvement 	BS	Estate Manager and related PIC	Criterion 2 Indicator 2.1; 2.2 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.4; 4.5; Criterion 5 Indicator 5.1; 5.2; 5.6
08.00 – 12.00 Mambang Muda Estate	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Transparency & code of conduct - Law and regulation compliance - SOP - Agrochemical - OSH - Training - Waste - Efficiency energy - Zero burning - Continuous improvement 	VP	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.1; 4.6; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5
12.00 – 13.00	Break and Shalat			
13.05 – 17.00	Continue audit plan			
Kamis 16 Maret 2017				
08.00 – 12.00 Labuhan Haji estate	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> o Legal compliance o Long term economic o Best practice o Agrochemical 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1. Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.5; 4.6; Criterion 5

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
	<ul style="list-style-type: none"> ○ Environmental issue ○ HCV ○ Waste ○ GHG ○ Labor issues 			Indicator 5.1; 5.2; 5.6 Criterion 6 Indicator 6.1 to 6.13
08.00 – 12.00 Labuhan Haji 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 ○ SOP ○ Liquid waste & use of water ○ OSH ○ Training ○ Waste ○ Efficiency energy ○ Zero Burning ○ Continuous 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 4.1; 4.4; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5 Criterion 8 Indicator 8.1
08.00 – 12.00 Merbau Selatan Estate (KMSTN)	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Land dispute - Environmental management 	DN	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 8 Indicator 8.1
08.00 – 12.00 Merbau Selatan Estate (KMSTN)	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Legal land - Management plan - Best practice & IPM - Environment issue - HCV - GHG - Continuous improvement 	BS	Estate Manager and related PIC	Criterion 2 Indicator 2.1; 2.2 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.4; 4.5; Criterion 5 Indicator 5.1; 5.2; 5.6
08.00 – 12.00 Merbau Selatan Estate (KMSTN)	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Transparency & code of conduct - Law and regulation compliance - SOP - Agrochemical - OSH - Training - Waste - Efficiency energy - Zero burning - Continuous improvement 	VP	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1 Criterion 4 Indicator 4.1; 4.6; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5
12.00 –	Break and Shalat			

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
13.00				
13.05 – 17.30	Continue audit plan			
Jum'at 17 Maret 2017				
08.00 – 12.00 Bandar Selamat estate (KBDSL)	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Legal complaince ○ Long term economic ○ Best practice ○ Agrochemical ○ Enviromental issue ○ HCV ○ Waste ○ GHG ○ Labor issues 	HF	Estate Manager and related PIC	Criterion 2 Indicator 2.1. Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.5; 4.6; Criterion 5 Indicator 5.1; 5.2; 5.6 Criterion 6 Indicator 6.1 to 6.13
08.00 – 12.00 Bandar Selamat estate (KBDSL)	<ul style="list-style-type: none"> • Verification last audit findings • Verification document & field : <ul style="list-style-type: none"> ○ Transparancy & code of conduct ○ Legal complaince ○ SOP ○ Liquid waste & use of water ○ OSH ○ Training ○ Waste ○ Effeciency energy ○ Zero Burning ○ 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 4.1; 4.4; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5 Criterion 8 Indicator 8.1
08.00 – 12.00 Bandar Selamat estate (KBDSL)	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Land dispute - Environmental management 	DN	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 8 Indicator 8.1
08.00 – 12.00 Bandar Selamat estate (KBDSL)	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Law and regulation compliance - Legal land - Management plan - Best practice & IPM - Environment issue - HCV - GHG - Continous improvement 	BS	Estate Manager and related PIC	Criterion 2 Indicator 2.1; 2.2 Criterion 3 Indicator 3.1 Criterion 4 Indicator 4.2; 4.3; 4.4; 4.5; Criterion 5 Indicator 5.1; 5.2; 5.6
08.00 – 12.00 Bandar Selamat	<ul style="list-style-type: none"> • Verification last audit findings • Document check and verification related: <ul style="list-style-type: none"> - Transperancy & code of 	VP	Estate Manager and related PIC	Criterion 1 Indicator 1.1; 1.2; 1.3 Criterion 2 Indicator 2.1.1

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – RSPO P&C and RSPO SCCS Requirement
estate (KBDSL)	conduct <ul style="list-style-type: none"> - Law and regulation compliance - SOP - Agrochemical - OSH - Training - Waste - Efficiency energy - Zero burning - Continuous improvement 			Criterion 4 Indicator 4.1; 4.6; 4.7; 4.8 Criterion 5 Indicator 5.3; 5.4; 5.5
17.00 – 18.30	Closing meeting	All audit or		
19.00 -	Travelling to Mess/Hotel and overnight	MK, AH, PN, AS	-	-
Sabtu 18 Maret 2017				
12.30 – 14.25	Travelling Medan to Kuala Lumpur	YN, VP		QZ 124
09.00 – 11.25	Travelling Medan to Kuala Lumpur	DN		GA 183
08.00 – 14.00	Audit partial certification & time bound plan	HF, BS		
16.05 – 18.30	Travelling Medan to Jakarta	HF, BS		GA 121

Appendix 3 : List of Abbreviations

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
APL	Areal Penggunaan Lain (Non-forested Land Use)
APU	Air Permukaan Umum (Public water surface)
BPD	Badan Penasehat Desa (villages advisory body)
BPN	Badan Pertanahan Nasional (National Land Agency)
CD	Community Development
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
GIS	Geographic Information System
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land Use Rights)
HPK	Hutan Produksi Konversi (Converted Production Forest)
Hyperkes	Hygiene Perusahaan & Kesehatan Kerja (Company Hygiene & Occupational Health)
HRD	Human Resource Department
IDR	Indonesian Rupiah (Indonesian currency)
IPM	Integrated Pest Management
IUP	Izin Usaha Perkebunan (Agriculture Use Permit)
KUD	Koperasi Unit Desa (Village Unit Cooperative)
LKS	Lembaga Kerja Bersama (Cooperation Institute)
LTA	Lost Time Accident
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheets
NGO	Non-Government Organization
OKI	Ogan Komerang Ilir (district name)
OSH	Occupational Safety & Health
PAD	Pendapatan Asli Daerah (Regional Original Income)
PBB	Pajak Bumi & Bangunan (Land and Building Tax)
PHT	Pekerja Harian Tetap (Permanent Workers)
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
RTRWP	Rencana Tata Ruang Wilayah Propinsi (Provincial Land Use Plan)
RUTR	Rencana Umum Tata Ruang Wilayah (Area landscape planning)
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SPPI	Serikat Pekerja Perkebunan Indonesia (Indonesian Estate Workers Union)
SPSI	Serikat Pekerja Seluruh Indonesia (Indonesian Workers Union)
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPTD	Unit Pelaksana Teknis Daerah (Regional Technical Implementation Unit)

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Appendix 4 : List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position	Remarks
Stakeholders Interviewed On-Site			
1.	Rudy Wijaya Purba. QIA	Administration and finance in Aek Nabara Selatan estate	
2.	Achmadsyah, SH	Human resource assistant in Aek Nabara Selatan estate	
3.	Iswan	Division/Afdeling III assistant in Aek Nabara Selatan estate	
	Supranoto	Division/Afdeling III supervisor in Aek Nabara Selatan estate	
	Sarbi	Head of Emplasmnt Village	
	Suep	Head of Development Section in Emplasmnt Village	
	Sariman	Staff of Development Section in Emplasmnt Village	
	Nurhidayat	Harvestier in Aek Nabara Selatan estate	
	Irawati Sitompul	PKBL supervisor in Labuhan Batu III District	
	Neti Herawati Sitorus	General fair supervisor in Aek Nabara Selatan estate	
	Margono	DCC supervisor in Labuhan Batu III District	
	M. Farrij Abdi	Assitent head in Rantau Perapat estate	
	Damin	Head of community representative in Kampung Baru village	
	Anwar Batubara	Head of Bukit Perjuangan group	
	Ridwansyah Arif	Harvester in Rantau Perapat estate	
	Suhendra Panjaitan	Maintenance sub contractor on behalf CV Tenaga Baru in Membang Muda estate	
	Dewanta Budi Kharisma	Assistant head in Membang Muda estate	
	Akbar Oloan Situmorang	DCC officer	
	Abdul Haris Rangkuti	Head of Membang Muda estate	
	Abdul Hakim Lubis	Head of Industrial section of Man power and transmigration Agency in Labuhanbatu Utara District	
	Hendra Harahap	Sterilezer officer in Aek Nabara Selatan POM	
	Hermansah & Sipayung	Head of security	
	Andar Sitepu	Head of division/afdeling 2 – Rantau Prapat estate	
	M.Jali	Maintenance supervisor/mandor in division/afdeling 2 – Rantau Prapat estate	
	<ul style="list-style-type: none"> • Sumanto & Misni • Wagimin & Widasari 	Harvester & wife in division/afdeling 2 – Rantau Prapat estate	
	Sutarno	Maintenance supervisor/mandor in division/afdeling 1 – Labuhan Haji estate	
	Tugiman	Harvesting superviso/mandor in Division/afdeling 5 – Labuhan Haji estate	
	Siahaan	Maintenance supervisor/mandor in division/afdeling 5 – Labuhan Haji estate	
	Ir. Iwan Hardi	Manager of Aek Nebara Selatan POM	
	Mohd Abdul	Assistant of Mill Manager	
	Rizki	Assistant of Human Resources in POM	
	Hermawan	Assistant of Process in POM	
	Andi Johan	Workers Union Representative in POM	
	Sutri Lubis	Assistant of Head in Merbau Selatan estate	

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No.	Name of Stakeholder	Institution / Position	Remarks
	Khairul Basyar	Assistant of Human Resources in Merbau Selatan estate	
	Dewi Norpita Sari	Medical Assistant-Clinic in Merbau Selatan estate	
	H. Agus	Manager of Labuhan Haji estate	
	Ir. Fadli Yulizar	Assistant of Head in Labuhan Haji estate	
	Mohd Fauzi Azmi	Medical Assistant in Labuhan Haji estate	
	Suprianto	Harvester in Labuhan Haji estate	
	Syahriadi Siregar	Manager of Bandar Selamat estate	
	Jeprizal Shadli Karo Karo,	Staff of general affair in Aek Nebara POM	
	Sonny Ville Milala	Staff of Bandar Selamat estate	
	Luli	Head of section in plantation department – head office	

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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 (KGPAPAR)	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 (KGPMMA)	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

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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				
					Rambutan Estate (KRBTN)	PT. Perkebunan Nusantara III (Persero)	Government of Indonesia	Paya Bagas Village, Tebing Tinggi Sub District, Serdang Bedagai District (Sei Simujur Village, Sei Suka Sub District, Batu Bara District)	6,837.67	6,339.86	2018
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 POM	Location	Time of get RSPO Certificate	Status
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
PSSUT	Sisumut/Labuhan Batu Selatan	15 October 2015	Certified

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Name of POM	Location	Time of get RSPO Certificate	Status
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

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 1.9 that the company has showed time bound but it is not update and not challenging & realistic so that t 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 management and has not been submitted to RSPO Secretariat (c.q compensation panel).	Comply
(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or en-	Sei Mangke POM & their supply base and Sei Baruhur POM & their supply base was carried out HCV assessment	Comply

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Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
hance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure	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).	
(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
(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>No labour dispute issue were found until surveillance audit.</p> <p>The company have whistleblowing and some procedures relate of handling conflict.</p>	Comply

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Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
<p>(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>	<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 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 • Renew land use right process for some estates as below : <ul style="list-style-type: none"> ○ The company has completed some documents 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 	<p>Comply</p>

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Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
	January 2017 (letter no. 130/1010-12.300/I/2017). <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.	