

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Tengkalat Palm Oil Mill, PT Gunung Pelawan Lestari - subsidiary of MP Evans Group Plc.

Plantation Name : Tengkalat Estate; Gunung Pelawan Estate; Gelam Estate; Cemara Estate.
Associated Smallholders: Mapur Mandiri Cooperative (Tengkalat KKPA); Ikhtiar Sejahtera Cooperative (Gunung Pelawan KKPA); Silip Lestari Cooperative (Gelam KKPA); Gunung Muda Sejahtera Cooperative (Cemara KKPA).

Location : Mapur Village, Sub District of Riau Silip, District of Bangka, Province of Kepulauan Bangka Belitung, Indonesia

Certificate Code : **MUTU-RSPO/102**

Date of Certificate Issue : 24 November 2017 Date of License Issue : 24 November 2017

Date of Certificate Expiry : 23 November 2022 Date of License Expiry : 23 November 2018

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|--|---|--------------------|--------------------|
| ST-2 | 25 th – 29 th September 2017 | Yudwi Wisnu Rahmanto (Lead Auditor); Leonada; Afiffuddin; Rizliani Aprianita Hasibuan; Mahmud Firdaus | Ganapathy Ramasamy | Tony Arifiarachman |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ST-2 | 24 November 2017 |

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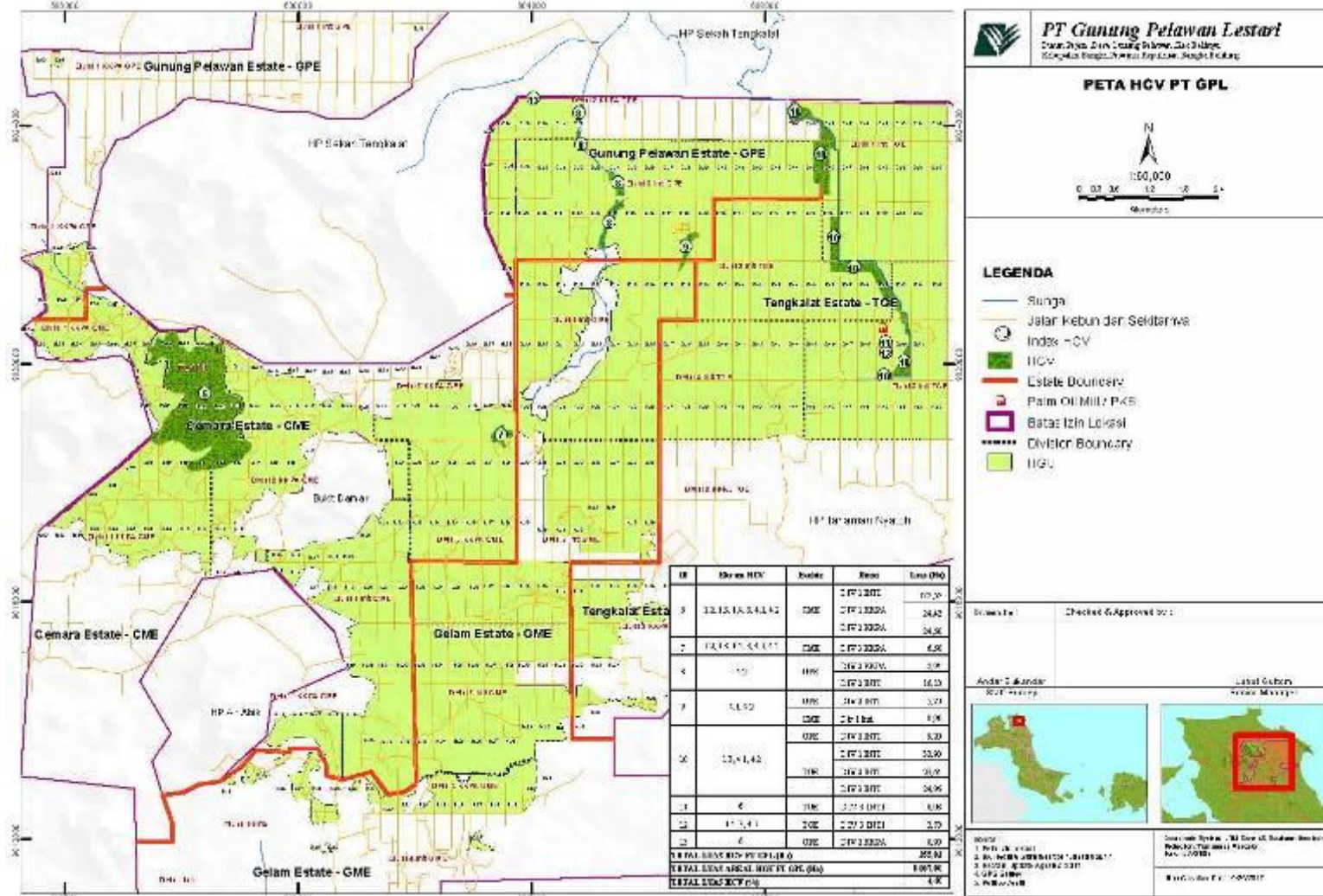
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FIGURE

Figure 1. Location Map of PT GUNUNG PELAWAN LESTARI



Figure 2. Operational Map of TENKALAT POM and It's supply bases



Abbreviation Used

| | | | |
|------|---|---------|---|
| BMP | : Best Management Practices | LD | : Lethal Dosage |
| CB | : Certification Body | LTA | : Lost Time Accident |
| CME | : Cemara Estate | MSDS | : Material Safety Data Sheet |
| CPO | : Crude palm oil | NGO | : Non Government Organization |
| CSR | : Corporate Social Responsibility | OHS | : Occupational Health and Safety |
| EFB | : Empty Fruit Bunches | PIC | : Person In Charge |
| EIA | : Environmental Impact Assessment | PK | : Palm Kernel |
| FFB | : Fresh Fruit Bunch | PLC | : Public Limited Company |
| FPIC | : Free, Prior, Informed and Consent | POM | : Palm Oil Mill |
| GHG | : Green House Gas | POME | : Palm Oil Mill Effluent |
| GME | : Gelam Estate | PPE | : Personal Protective Equipment |
| GPE | : Gunung Pelawan Estate | PT | : Limited Company |
| GPL | : Gunung Pelawan Lestari | SIA | : Social Impact Assessment |
| HCV | : High Conservation Value | SOP | : Standard Operations Procedure |
| HGB | : <i>Hak Guna Bangunan</i> (Building Use Title) | TGE | : Tengkalat Estate |
| IDR | : Indonesian Rupiah | TGM | : Tengkalat Mill |
| ILO | : International Labour Organisation | RKL-RPL | : Environment management and Monitoring Plan |
| KCP | : Kernel Crushing Plant | UNFCCC | : United Nations Framework Convention on Climate Change |
| KKPA | : Cooperative credit for members. Smallholders scheme which land owned by cooperative/smallholdings, but full developed and managed by the company. | WHO | : World Health Organisation |
| kWh | : Kilowatt hour | WTP | : Water Treatment Plan |
| LB3 | : Limbah Berbahaya dan Beraacun (Hazardous Waste) | WWTP | : Waste Water Treatment Plant |

| | | | |
|--|---|---|-----------------------------------|
| 1.0 SCOPE OF THE CERTIFICATION ASSESSMENT | | | |
| 1.1 Assessment Standard Used | | | |
| <ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> | | | |
| 1.2 Organisation Information | | | |
| 1.2.1 | Organisation name listed in the certificate | PT GUNUNG PELAWAN LESTARI subsidiary of M.P. Evans Group PLC | |
| 1.2.2 | Contact person | Abdul Aziz Muhshi (Manager Sustainability & Certification) | |
| 1.2.3 | Organisation address and site address | <ul style="list-style-type: none"> • RSPO registered company: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan • Liaison Office: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan | |
| 1.2.4 | Telephone | 021-52920338 | |
| 1.2.5 | Fax | 021-52920339 | |
| 1.2.6 | E-mail | azizm@mpevans.co.uk | |
| 1.2.7 | Web page address | www.mpevans.co.uk | |
| 1.2.8 | Management Representative who completed the application for certification | Abdul Aziz Muhshi (Manager Sustainability & Certification) | |
| 1.2.9 | Registered as RSPO member | 1-0027-06-000-00, October 08 th , 2006 | |
| 1.3 Type of Assessment | | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | 1 Palm Oil Mill (Tengkalat POM) and 8 supply bases: Tengkalat Estate; Gunung Pelawan Estate; Gelam Estate; Cemara Estate; Tengkalat KKPA; Gunung Pelawan KKPA; Gelam KKPA; Cemara KKPA. | |
| 1.3.2 | Type of certificate | Single | |
| 1.4 Locations of Mill and Plantation | | | |
| 1.4.1 | Location of Mill | | |
| | Name of Mill | Location | Coordinate |
| | | | Latitude Longitude |
| | TENGGALAT | Mapur Village, Sub District of Riau Silip, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 37' 18" E 105° 59' 18" |
| 1.4.2 | Location of Certification Scope of Supply Base | | |
| | Name of Supply Base | Location | Coordinate |

| | | Latitude | Longitude |
|---|---|---------------|----------------|
| Gunung Pelawan Estate | Gunung Pelawan Village, Sub District of Belinyu, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 35' 57" | E 105° 57' 23" |
| Tengkalat Estate | Mapur Village, Sub District of Riau Silip, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 37' 27" | E 105° 59' 47" |
| Cemara Estate | Gunung Muda Village, Sub District of Belinyu, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 38' 41" | E 105° 55' 30" |
| Gelam Estate | Gunung Muda Village, Sub District of Belinyu, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 38' 04" | E 105° 56' 52" |
| Ikhtiar Sejahtera Cooperative – GPE KKPA (178 Smallholders) | Gunung Pelawan Village, Sub District of Belinyu, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 35' 35" | E 105° 55' 53" |
| Mapur Mandiri Cooperative - TGE KKPA (92 Smallholders) | Mapur Village, Sub District of Riau Silip, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 38' 60" | E 105° 57' 11" |
| Gunung Muda Sejahtera Cooperative - CME KKPA (1,019 Smallholders) | Gunung Muda Village, Sub District of Belinyu, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 37' 59" | E 105° 54' 42" |
| Silip Lestari Cooperative - GME KKPA (312 Smallholders) | Gunung Muda Village, Sub District of Belinyu, District of Bangka, Province of Kepulauan Bangka Belitung. | S 01° 41' 39" | E 105° 55' 36" |

Coordinates based on www.wikimapia.org and within HGU only

1.5 Description of Area Statement

| | | |
|-------|-------------|-------------------|
| 1.5.1 | Tenure | |
| | • State | 8,067.08 Ha (HGU) |
| | | 24.95 Ha (HGB) |
| | • Community | - Ha |

1.5.2 Area Statement

| | Inti | KKPA | Total |
|--------------------------|----------|----------|-------------|
| • Total area | 5,727.14 | 2,364.89 | 8,092.03 Ha |
| • Planted area: | 4,747.97 | 1,808.97 | 6,556.94 Ha |
| Mature | 3,091.07 | 424.81 | 3,515.88 Ha |
| Immature | 1,656.90 | 1,384.16 | 3,041.06 Ha |
| • Land under preparation | 34.97 | 0.60 | 35.57 Ha |
| • Nursery | 8.85 | - | 8.85 Ha |
| • Roads | 169.66 | 72.67 | 242.33 Ha |
| • Drains | 15.66 | 3.84 | 19.50 Ha |
| • Buildings | 30.70 | - | 30.70 Ha |
| • Oil Mill Site | 24.95 | - | 24.95 Ha |
| • HCV | 295.75 | 59.27 | 355.02 Ha |

| | | | |
|-----------------------------|--------|--------|-----------|
| • Unplantable Swamps | 24.00 | 20.00 | 44.00 Ha |
| • Others | 46.85 | 58.77 | 105.62 Ha |
| • Land to be cleared | 327.77 | 340.77 | 668.54 Ha |

1.6 Planting Year and Cycles

1.6.1 Age profile of planting year

| Planting Year | Hectarage (Ha) | | | | | | | | |
|---------------|-----------------------|-------------------|------------------|---------------|-----------------|---------------|---------------|-----------------------|-----------------|
| | Gunung Pelawan Estate | Ikhtiar Sejahtera | Tengkalat Estate | Mapur Mandiri | Gelam Estate | Silip Lestari | Cemara Estate | Gunung Muda Sejahtera | Total |
| 2006 | 186.76 | 0 | 0 | 0 | 0 | 81.17 | 0 | 0 | 267.93 |
| 2007 | 208.99 | 0 | 183.70 | 0 | 0 | 64.52 | 0 | 0 | 457.21 |
| 2008 | 0 | 0 | 144.69 | 0 | 0 | 0 | 0 | 0 | 144.69 |
| 2009 | 0 | 0 | 421.44 | 0 | 0 | 32.32 | 0 | 0 | 453.76 |
| 2010 | 39.27 | 0 | 382.06 | 0 | 0 | 0 | 0 | 0 | 421.33 |
| 2011 | 139.82 | 56.72 | 386.94 | 0 | 0 | 0 | 0 | 0 | 583.48 |
| 2012 | 129.61 | 72.09 | 79.16 | 0.89 | 300.50 | 14.37 | 0 | 11.47 | 608.09 |
| 2013 | 0 | 14.26 | 62.46 | 77.00 | 425.67 | 0 | 0 | 0 | 579.39 |
| 2014 | 0 | 0 | 158.47 | 45.50 | 382.48 | 0 | 43.47 | 20.74 | 650.66 |
| 2015 | 16.85 | 4.12 | 10.88 | 50.00 | 373.39 | 0 | 277.01 | 583.38 | 1,315.63 |
| 2016 | 26.64 | 90.97 | 43.21 | 4.97 | 129.31 | 17.34 | 90.48 | 423.25 | 826.17 |
| 2017 | 12.10 | 9.55 | 6.83 | 0 | 53.58 | 1.80 | 32.20 | 132.54 | 248.60 |
| TOTAL | 760.04 | 247.71 | 1,879.84 | 178.36 | 1,664.93 | 211.52 | 443.16 | 1,171.38 | 6,556.94 |

| | | |
|-------|--------------------------------------|-------------|
| 1.6.2 | New Planting area after January 2010 | 5,233.35 Ha |
|-------|--------------------------------------|-------------|

| | | |
|-------|----------------|-----------------------|
| 1.6.3 | Planting Cycle | 1 st Cycle |
|-------|----------------|-----------------------|

1.7 Description of Mill and Supply Base

1.7.1 Description of Mill

| Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
|--------------|-------------------------|-----------------------------|---------------|----------------|---------------|----------------|
| | | | Out put (ton) | Extraction (%) | Out put (ton) | Extraction (%) |
| Tengkalat | 45 | 209,383.20 | 48,377.30 | 23.10 | 11,052.12 | 5.28 |

* Source of production data September 2016 – August 2017

1.7.2 Description of Certification Scope of Supply Base

| Name of Estate | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/ year) | Supplied to Mill | |
|----------------|-----------------|-------------------|-------------------|-------------------------|-------------------|-----|
| | | | | | FFB (tonnes/year) | % |
| Gunung Pelawan | 866.21 | 760.04 | 14,078.60 | 18.52 | 14,078.60 | 100 |
| Tengkalat | 2,202.16 | 1,879.84 | 41,145.06 | 21.89 | 41,145.06 | 100 |
| Cemara | 771.96 | 443.16 | 0 | 0.00 | 0 | 100 |
| Gelam | 1,886.81 | 1,664.93 | 12,538.33 | 7.53 | 12,538.33 | 100 |

| | | | | | | |
|---|-----------------|-----------------|------------------|--------------|------------------|------------|
| Ikhtiar Sejahtera Cooperative – GPE KKPA (178 Smallholders) | 292.67 | 247.71 | 2,921.40 | 11.79 | 2,921.40 | 100 |
| Mapur Mandiri Cooperative - TGE KKPA (92 Smallholders) | 188.66 | 178.36 | 1,316.03 | 7.38 | 1,316.03 | 100 |
| Gunung Muda Sejahtera Cooperative - CME KKPA (1,019 Smallholders) | 1,660.49 | 1,171.38 | 133.03 | 0.11 | 133.03 | 100 |
| Silip Lestari Cooperative - GME KKPA (312 Smallholders) | 223.07 | 211.52 | 4,489.03 | 21.22 | 4,489.03 | 100 |
| TOTAL | 8,092.03 | 6,556.94 | 76,621.48 | 11.69 | 76,621.48 | 100 |

* Source of production data September 2016 – August 2017

1.7.3 FFB description from other source

| Name of sources/Organisation (RSPO certified / non-certified) | Type of Organisation | number of smallholders | Production Area (Ha) | Supplied to Mill | |
|---|--|------------------------|----------------------|-------------------|--|
| | | | | FFB (tonnes/year) | |
| Gunung Pelawan Estate Inti (non HGU)/ non-certified | PT Gunung Pelawan Lestari (MP Evans Group) | | 744.52 | 17,920.60 | |
| Gunung Pelawan Estate KKPA Ikhtiar Sejahtera (non HGU)/ non-certified | PT Gunung Pelawan Lestari (MP Evans Group) | 347 | 565.79 | 13,196.27 | |
| Tengkalat Estate KKPA Mapur Mandiri (non HGU)/ non-certified | PT Gunung Pelawan Lestari (MP Evans Group) | 489 | 994.29 | 15,135.09 | |
| Gelam Estate Inti (non HGU)/ non-certified | PT Gunung Pelawan Lestari (MP Evans Group) | | 439.80 | 5,296.21 | |
| Gelam Estate KKPA Silip Lestari (non HGU)/ non-certified | PT Gunung Pelawan Lestari (MP Evans Group) | 13 | 25.90 | 153.54 | |
| Cemara Estate KKPA Gunung Muda Sejahtera (non HGU)/ non-certified | PT Gunung Pelawan Lestari (MP Evans Group) | 150 | 348.47 | 1,707.66 | |
| CV. Agung Bangka Lestari/ non-certified | Independent supplier | - | - | 13,220.06 | |
| CV. Dua Serangkai/ non-certified | Independent supplier | - | - | 12,503.62 | |
| Lismiarti/ non-certified | Independent supplier | - | - | 2,350.68 | |
| CV. Multi Nusa Pratama/ non-certified | Independent supplier | - | - | 18,316.16 | |
| CV. Bangun Era Sejahtera/ non-certified | Independent supplier | - | - | 24,255.26 | |
| CV. Putra Mandiri/ non-certified | Independent supplier | - | - | 1,675.73 | |
| CV. Prima Sawit/ non-certified | Independent supplier | - | - | 2,442.39 | |
| Suyanto/ non-certified | Independent supplier | - | - | 7.95 | |
| CV. Naiza Mulia/ non-certified | Independent supplier | - | - | 4,087.97 | |
| CV. Tandan Pratama/ non-certified | Independent supplier | - | - | 344.03 | |

| | | | | | | | | |
|---|---|------------------------------------|---|---|-----------------------------------|--------------------|-------------------|-------------------------|
| | Suhendra Gunawan/ non-certified | Independent supplier | - | - | 148.50 | | | |
| | TOTAL | | | | 132,761.72 | | | |
| <i>* Source of production data September 2016 – August 2017</i> | | | | | | | | |
| 1.7.4 | Product categories | | FFB, CPO, PK | | | | | |
| 1.8 Tonnage of Product | | | | | | | | |
| 1.8.1 | Past Annual Claim Certified Product | | Previous Certificate Claim Dd/mm/yyyy to Dd/mm/yyyy (tonnes/year) | Actual certified product Dd/mm/yyyy to Dd/mm/yyyy (tonnes/year) | | | | |
| | • FFB Production | | N/A | N/A | | | | |
| | • CPO Production | | N/A | N/A | | | | |
| | • Palm Kernel (PK) Production | | N/A | N/A | | | | |
| 1.8.2 | Product Selling | | | | | | | |
| | Tonnage of selling product | | Actual selling product period Dd/mm/yyyy to Dd/mm/yyyy. | | | | | |
| | • CSPO | | N/A | | | | | |
| | • CSPK | | N/A | | | | | |
| | • CPO under ISCC scheme trading | | N/A | | | | | |
| | • CPO under conventional trading (if any) | | N/A | | | | | |
| | • PK under other scheme | | N/A | | | | | |
| | • PK under conventional trading (if any) | | N/A | | | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | | | |
| | Name of Estates | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | | | |
| | Gunung Pelawan | 866.21 | 760.04 | 15,486 | 20.38 | | | |
| | Tengkalat | 2,202.16 | 1,879.84 | 45,260 | 24.08 | | | |
| | Cemara | 771.96 | 443.16 | 2,659 | 6.00 | | | |
| | Gelam | 1,886.81 | 1,664.93 | 13,792 | 8.28 | | | |
| | Ikhtiar Sejahtera Cooperative – GPE KKPA (178 Smallholders) | 292.67 | 247.71 | 3,214 | 12.97 | | | |
| | Mapur Mandiri Cooperative - TGE KKPA (92 Smallholders) | 188.66 | 178.36 | 1,448 | 8.12 | | | |
| | Gunung Muda Sejahtera Cooperative - CME KKPA (1,019 Smallholders) | 1,660.49 | 1,171.38 | 146 | 0.12 | | | |
| | Silip Lestari Cooperative - GME KKPA (312 Smallholders) | 223.07 | 211.52 | 4,938 | 23.34 | | | |
| | TOTAL | 8,092.03 | 6,556.94 | 86,943 | 13.26 | | | |
| <i>*Projected FFB production for September 2017 – August 2018</i> | | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed | CPO | | Palm Kernel | | Supply Chain |
| | | | | Out put | Extraction | Out put | Extraction | |

| | | | (tonnes/year) | (ton) | (%) | (ton) | (%) | Module |
|---|-----------------|--|-----------------|-----------------------------|---------------|--------------|------------|-----------|
| | Tengkalat | 45 | 86,943 | 19,997 | 23.00 | 4,782 | 5.5 | MB |
| <i>*Projected FFB production for September 2017 – August 2018</i> | | | | | | | | |
| 1.9 Other Certifications | | | | | | | | |
| | Others | | | - | | | | |
| 1.10 Time Bound Plan | | | | | | | | |
| 1.10.1 Time Bound Plan for Other Management Units | | | | | | | | |
| Management Unit | | Estate (Supply Base) | Time Bound Plan | Location | Status | | | |
| MILL | Time Bound Plan | | | | | | | |
| Pangkatan | 2012 | Pangkatan Estate (PT. Pangkatan Indonesia) | 2012 | Labuhanbatu, North Sumatera | Certified | | | |
| | | Sennah Estate (PT. Sembada Sennah Maju) | 2012 | Labuhanbatu, North Sumatera | Certified | | | |
| | | Bilah Estate (PT. Bilah Plantindo) | 2012 | Labuhanbatu, North Sumatera | Certified | | | |
| Bumi Permai | 2013 | PT. Prima Mitrajaya Mandiri | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Subur Makmur | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Sawit Etam Bersama | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Tanah Sama | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Mitra Sawit Mandiri | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Grenseng Indah | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Maju Membangun | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Sawit Etam Bersama – Tahap II | 2019 | East Kutai, East Kalimantan | Non-Certified | | | |
| | | Koperasi Maju Membangun – Tahap II | 2019 | East Kutai, East Kalimantan | Non-Certified | | | |
| | | Koperasi Tanah Sama – Tahap II | 2019 | East Kutai, East Kalimantan | Non-Certified | | | |
| Rantau Humpang | 2019 | PT. Teguh Jayaprima Abadi | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Karya Bersama | 2013 | East Kutai, East Kalimantan | Certified | | | |
| | | Koperasi Mitra Sejahtera Abadi | 2013 | East Kutai, East Kalimantan | Certified | | | |
| Tengkalat | 2017 | PT. Gunung Pelawan Lestari | 2017 | Bangka | Certified | | | |
| | | Koperasi Ikhtiar Sejahtera | 2017 | Bangka | Certified | | | |

| | | | | | |
|---------------|--|--------------------------------------|------|---------------------------|---------------|
| | | Koperasi Silip Lestari | 2017 | Bangka | Certified |
| | | Koperasi Mapur Mandiri | 2017 | Bangka | Certified |
| | | Koperasi Gunung Muda Sejahtera | 2017 | Bangka | Certified |
| - | | PT Evans Lestari | 2018 | Musirawas, South Sumatera | Non-Certified |
| - | | PT Simpang Kiri Plantation Indonesia | 2018 | Aceh | Non-Certified |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard | | | | |
| | Tengkalat POM received FFB's from nucleous estate, full managed smallholders and independent collectors. Land use title for supply base scope still ongoing progress with government. These will be follow up and added within the scope for the next surveillence assessment. | | | | |

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|---|--|
| 2.0 ASSESSMENT PROCESS | |
| 2.1 Assessment Team | |
| ST-2 | <ol style="list-style-type: none"> 1. Yudwi Wisnu Rahmanto (Lead Auditor). Indonesian citizen graduated as Bachelor of Forestry with major study on Silviculture background in 2006. Previous working experiences i.a: Agronomy Assisstant in one of plantation company for 8 months and pharmacy business for 6 months afterwards. In 2010 began work as auditor in one of international certification body and became as RSPO Lead Auditor in 2013. Several training and audit activities for other certification schemes that have been involved including Organic Standard scheme (JAS, USDA-NOP, EU); Sustainability Coffee (C.A.F.E Practices - Starbucks); Sustainability of Forest Management (FSC-FM/CoC, CW); Sustainability of Oil Palm Plantations (RSPO, ISPO). A preferred aspects during auditing in sustainable certification schemes i.e: Land Tenure, HCV/Conservation, Social Community and Supply Chain. Having communication ability in local language (Javanese, Sundanese), Bahasa Indonesia, Malay and English (moderate fluent). During this audit, he conducted an assessment on HCV and GHG. 2. Leonada. Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Depelovment Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training General specialist and Health and safety management system (SMK3) Auditor. During this audit , He conducted an assessment on OHSAS and Legal. 3. Rizliani Aprianita Hsb. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001;2008, ISO 14001;2004, OHSAS 18001, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, she conducted an assessment on transparency, social and Environmental. 4. Afiffuddin. Indonesian citizen, Diploma III majoring Palm Oil Plantation. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely : Basic Plantation Management Program , Indonesian Sustainable Palm Oil (ISPO), OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015). He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Managemnt Practices aspect, healt and safety aspect and worker welfare aspek. During this audit , He conducted an assessment on long term management plan and BMP. 5. Mahmud Firdaus. Diploma in Supervisor Food Quality Assurance and Bachelor on Management at Bogor Agricultural University. He is experienced in the field of Quality Assurance (QA) and personnel competence (auditor center) with the last position for each field is the coordinator. The types of training that have been followed are training of ISPO lead auditors, ISO 14001: 2004, RSPO Awareness, GHG training, ISO 9001: 2008, ISO 17021 &ISO 17065 training, Palm Oil Production training, Peat Management training, HACCP and food safety management system. During this assessment He conducted an assessment on transparency, and worker welfare. |
| 2.2 Assessment Methodology, Assessment Process and Locations of Assessment | |
| 2.2.1 | Figure of person days to implement assessment |
| ST-2 | <p>Number of auditors: 5 auditor</p> <p>Number of days for Stage-2 at site: 5 days</p> |

| | |
|--------------|--|
| | Number of working days for Stage-2 at site: 25 Working days |
| 2.2.2 | Assessment Process |
| ST-2 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Tengkalat Mill – PT Gunung Pelawan Lestari to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ST-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1)</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ST-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ST-2.</p> <p>The assessment program please find Appendix 2</p> |
| 2.2.3 | Location of Assessment |
| ST-2 | <p>Management units involved in this activity consists of 8 (eight) Estates which supply FFB materials to 1 (one) palm oil mill. In order to conduct the assessment auditor team applies the formula $0.8 \sqrt{y}$ to determine the management units that are being focus of sample locations and takes into account emerging issues considered to be fundamental and critical originate from stakeholders. Based on this formula, auditor team selects 1 palm oil mill (Tengkalat POM) and 4 Estates (Gunung Pelawan Estate, Tengkalat Estate, Ikhtiar Sejahtera Cooperative - Gunung Pelawan KKPA and Mapur Mandiri Cooperative – Tengkalat KKPA) as the sample locations.</p> <p>Tengkalat POM:</p> <ol style="list-style-type: none"> Grading Station. Observation and interview related to working procedures, worker welfare and safety aspect. Loading Ramp. Observation and interview related to working procedures, worker welfare and safety aspect. Sterilizer Station. Observation and interview related to working procedures, worker welfare and safety aspect. Tipler Station. Observation and interview related to working procedures, worker welfare and safety aspect. Press Station. Observation and interview related to working procedures, worker welfare and safety aspect. Boiler Station. Observation and interview related to working procedures, worker welfare and safety aspect. Hydrant. Observation safety and emergency response. WTP. Observation of water treatment activities and the use of chemicals. Interview related to wages, implementation OHS and complaint mechanism. Workshop. Observation and interviews related to the competence of workers, medical check up, implementation OHS, wages, waste management and complaint mechanism. Warehouse. Observation and interviews related to chemical containers management, OHS implementation, wages and complaint mechanism. Reservoir 1 & 2. Observation related to use of water for mill activities. WB system & Administration. Observation on supply chain simulation. <p>GPE :</p> <ol style="list-style-type: none"> Chemical Warehouse. Observation and interviews related to hazardous waste management, OHS implementation, employment, wages and complaint mechanism. Fertilizer warehouse. Observation and interviews related to waste management and implementation OHS. Rinse house for spray team. Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling. Hazardous Waste Warehouse. Observation and interviews related to hazardous waste management, OHS implementation, and emergency response. Fire extinguisher equipment store. Observation for emergency responses and facilities. |

18. **Workshop.** Observation and interviews related to the competence of workers, medical check up, implementation OHS,wages, waste management and complaint mechanism.
19. **Daycare.** Observation and interviews related to employee welfare facilities, wages, employment and domestic waste management.
20. **Division warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment, wages and complaint mechanism.
21. **Landfill block B20 Division 1.** Observation for domestic waste management.
22. **Housing complex.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
23. **Herbicide Application, Division II, block E29.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
24. **Harvesting, Division II, block D31.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.
25. **Manual Manuring, Division I, block B17.** Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
26. **Mechanical Manuring, Division I, block B21-23.** Observation of mechanical manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
27. **Owl Nest Box, Division II, block D32.** Observation owl nest box. Nest box in an active state which there are many former rat bone below the nest.
28. **Sandy Soil Area, Division I, block B22.** Observation of compost application in sandy areas as nutrient addition and improving soil structure
29. **Nursery, Division II, block E33.** Observation of seedling area, seed quality, treatment of unqualified seedlings and seedlings in nurseries
30. **New Planting Area, Division II, block D32-31.** Observation new planting area which planted in 2017.
31. **New Planting Area, Division II, block E32-31.** Observation new planting area which planted in 2016.
32. **Fire Monitoring Tower, Division I, block C14.** Observation of facilities and infrastructure of fire monitoring and control.
33. **BPN 813 (Block E34, Div.2); BPN 170 (Block C29, Div.2).** Observation on land demarcation and boundary poles.
34. **Duku River Block D34/E34 Div.2.** Observation on HCV area and riparian zone.

TGE:

35. **Clinic.** Observation and interviews related to hazardous waste management, employee health care, wages and employment.
36. **Chemical Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, employment, wages and complaint mechanism.
37. **Fertilizer warehouse.** Observation and interviews related to waste management and implementation OHS.
38. **Rinse house for spray team.** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
39. **Hazardous Waste Warehouse.** Observation and interviews related to hazardous waste management, OHS implementation, and emergency response.
40. **Fire extinguisher equipment store.** Observation for emergency responses and facilities.
41. **Workshop.** Observation and interviews related to the competence of workers, medical check up, implementation OHS,wages, waste management and complaint mechanism.
42. **Daycare.** Observation and interviews related to employee welfare facilities, wages, employment and domestic waste management.
43. **Division warehouse.** Observation and interviews related to hazardous waste management, OHS

- implementation, employment, wages and complaint mechanism.
44. **Landfill block G42 Division 4.** Observation for domestic waste management.
 45. **Composting area.** Observation and interview related to EFB management and leachate water.
 46. **Housing complex.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
 47. **Land application block G40.** Observation related to waste water management.
 48. **Manual Manuring, Division IV, block G44.** Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
 49. **Herbicide Application, Division III, block H52.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
 50. **Harvesting, Division III, block H47.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.
 51. **Term Census, Division III, block G45.** Observation term census activities and interviews with census officer related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
 52. **Area Assessment Land Application, block G40 and F41.** Observation of the Land Application assessment area.
 53. **BPN 247 (Block C48 Div1); BPN 253 (Block C50 Div1).** Observation on land demarcation and boundary poles.
 54. **HCV area Block E46 Div 1.** Observation on HCV management area as corridor.

Ikhtiar Sejahtera Cooperative - KKPA GPE:

55. **Loosefruit Handpicker** Worker. KKPA Silip Lestari Blok B5/6. Interviews related to workers' rights, working time, wages, PPE used, BPJS, gender committees, leave procedure, etc.
56. **Spraying Worker.** KKPA Silip Lestari Blok F28. Interviews related to workers' rights, working time, wages, PPE used, BPJS, gender committees, leave procedure.
57. **Harvesting, Division I, block B5.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.
58. **BPN KKPA 14 (Block F28, Div.2).** Observation on land demarcation and boundary poles at smallholders area.
59. **"Orang Lom" graveyard Block C29 Div 2 KKPA.** Observation on native people graveyard that identified as HCV 6.

Mapur Mandiri Cooperative - KKPA TGE

60. **Stop Bund Peat Area, Division I, block E53.** Observation of peat management.
61. **Pizeometer Peat Area No. 22, Division I, block E54.** Observation of peat management.
62. **Subsidency Pole Peat Area No. 2, Division I, block E54.** Observation of peat management.
63. **BPN KOP 431 (Block J46 Div2); BPN KOP 259 (Block C52 Div1).** Observation on land demarcation and boundary poles at smallholders area.

Stakeholder consultation to be interviewed:

Villages around the Company

64. **Gunung Pelawan Village.** Interview related to transparency, communication, land dispute, and social aspect.
65. **Mapur Village.** Interview related to transparency, communication, land dispute, and social aspect
66. **Gunung Muda Village.** Interview related to transparency, communication, land dispute, and social aspect
67. **Pejam sub-village.** Interview with local people as descendants of Orang Lom (native tribe) related to HCV 6 collaborated management.

- 68. **Palm Cooperative Ikhtiar Sejahtera.** Interview related to plasma cooperation and FFB payment
- 69. **Palm Cooperative Mapur Mandiri.** Interview related to plasma cooperation and FFB payment

Statutory bodies: Labor Agency, Land Agency, Agriculture and Plantation Agency, and Environmental Agency.

| | |
|--|--|
| 2.3 Stakeholder Consultation and Stakeholders Contacted | |
| 2.3.1 | Summary of stakeholder consultation process. |
| ST-2 | <p>Consultation of stakeholders for PT Gunung Pelawan Lestari was held by:</p> <ul style="list-style-type: none"> • Public announcement at rspo website: https://www.rspo.org/uploads/default/pnc/Notification_of_RSPO_Initial_Assessment_of_Tengkalat_POM - PT Gunung Pelawan Lestari and CB website: http://mutucertification.com/notifikasi-untuk-kegiatan-rspo-penilaian-pertama-di-pks-tengkalat-pt-gunung-pelawan-lestari-anak-perusahaan-dari-of-m-p-evans-group-plc/ dated 18 August 2017. • Public consultation meeting with local stakeholders conducted by visits to villages (Gunung Pelawan Village, Mapur Village, Gunung Muda Village and Pejam sub-village) on September 26-27th, 2017. • Public consultation meeting with government agency Bangka District (Agriculture and Plantation Agency; National Land Agency, Labor Agency; Enviromental Agency) on September 26th, 2017 • Public consultation meeting with gender committe, labor union, cooperative and local contractor on September 27th, 2017. • Public consultation by email with NGO (Sawit Watch, Walhi, WWF, TUK Indonesia, GreenPeace indonesia and AMAN) by email on September 19th, 2017 <p>Numbers of input from stakeholders were clarified by PT Gunung Pelawan Lestari.</p> |
| 2.3.2 | Stakeholder contacted |
| | <i>Please find appendix 1</i> |
| 2.4 Determining Next Assessment | |
| | The next visit (ASA-1) will be determined 9-12 months after this ST-2 . |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Tengkalat POM – PT Gunung Pelawan Lestari, MP EVANS Group PLC operation consisting of one (1) mill and eight (8) oil palm estates.

During the assessment, there is one (1) Major non-conformance and six (6) opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences. Those corrective actions taken that consist of One (1) Major non-conformity had been closed out and will be verified during next assessment.

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued.

| Ref Std. | VERIFICATION RESULT of MUTU-Certification |
|---|---|
| PRINCIPLE #1 COMMITMENT TO TRANSPARENCY | |
| 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. | |
| <p>1.1.1 Minor ; 1.1.2 Major</p> <p>The company has list of stakeholders such as government agency, local communities, suppliers, contractors etc. Information (periodic reports) submitted to the government agencies such as hazardous waste reports, employment reports, health, safety and accident report etc. There is a procedure related to information request, contained in SOP Information Transparency (no. GPL/SOP/Uumum-02 revision 01 dated 04 September 2013). Any requests for information from stakeholders are recorded on the logbook of information request. The information request has been responded in accordance mechanisms established by the company. It's declared either when interviews with government agencies, local communities and local suppliers.</p> <p>The officer who responsible for providing information is sustainable and certification (S&C) officer. According to interviews with government agencies, local communities and local suppliers, they already know about mechanism of information transparency.</p> | |
| <p>Status: Comply</p> | |
| 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. | |
| <p>1.2.1 Major</p> <p>The company has list related to shareable information contained in SOP Information Transparency (PI/SOP/Uumum-02) which explains types of document that can or cannot be transparent, for example documents that can be transparent are</p> | |

UKL/UPL document, CSR document and conservation document, etc. The results of interviews with management, any incoming information requests will be discussed first with management. All information is accessible / transparent by first obtaining management approval and not having a negative impact for the company.

Besides, the company always share the information to the cooperative through monthly report. The report contains of yield production, applicable FFB price, deduction, remaining bank loans, etc.

According to information gathered by cooperative member (Ikhtiar Sejahtera) and villagers, the value of FFB production is using share flat system (tanggung renteng/bagi rata), and it has been approved by all smallholders.

Status: Comply

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

1.3.1 Minor

The company has a code of conduct policy of commitment to ethical conduct in all business operation and transaction in Anti-Bribery and Corruption. The policy was ratified on July 29, 2013 by Managing Director and has disseminated to all employees in Bahasa Indonesia. According to interviews harvester, warehouse officer, FFB supplier they already know code of conduct among others the prohibition of corruption, bribery and drugs. In addition, there is a record of Socialization related to policy, procedures on November 25 2016 attended by 27 participants.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

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

2.1.1

The Company proves its compliance toward the applicable regulations, for example: plantation permit (compliance to the Plantation Act 39/2014 on plantation), land use right license (Compliance to Law No. 5 of 1960 on Main Agrarian Regulations), EIA document, license for Temporary Hazardous Waste Storage, etc. Also, list of international laws are available, such as: ratified of UN Convention on Biodiversity (Act No. 5 of 1994), ratified of ILO No. 105 (Act No. 19 of 1999), ratified of UNFCCC (Act No. 6 of 1994), etc. Copies of laws and regulations are stored in the office of each unit. Based on interviews with relevant statutory bodies in District of Labuhanbatu (Plantation Agency, Labour Agency, Environment Bodies and the Land Office), it is noted that the management unit has been complied with the regulations related to their business.

Evidence of compliance with relevant legal requirements are available in place, in example:

- Deed of company: Akta Pendirian Perseroan No. 1 Tahun 2003, dated 1 August 2003.
- Environmental Impact Assessment / AMDAL: Decree Letter no. 188.44/195.A/BAPEDALDA/2008 on the Assign of Environmental Worthiness dated on March 28, 2008. Then, the company conducted addendum Amdal related to the change of location permit which previously was 17,000 ha then changed to 13,565 ha with mill capacity of 60 t/hour and and there is a change of activity plan for waste water management system, approved by related agency on January 27, 2014. Environmental Permit no. no. 188.45/154.2/LH/2014.
- License for Temporary Hazardous Waste Storage. For example license for hazardous waste warehouse GPE no. 188.4/58/TPS-LB3/LH/IX/2016.
- Plantation Permit: No. 188.45/554/Dishutbun/2015 dated 2 March 2015. Plantation area permitted 11,157 Ha integrated with Mill capacity 60 Ton TBS/Hour.
- Land Use Title (HGU): 20 certificates of land use right (HGU) with total managed area 5,702.23 Ha. While, land use title for smallholder's scheme full managed totally is 2,364.90 Ha.
- Also, list of international laws are available, such as: ratified of UN Convention on Biodiversity (UU No. 5 Tahun 1994), ratified of ILO No. 105 (UU No. 19 Tahun 1999), ratified of UNFCCC (UU No. 6 Tahun 1994), etc. Copies of laws and regulations are stored in the office of each unit.
- The management unit shows evidence of compliance with relevant laws and regulations related to the best practices of plantation, namely Plantation Development Progress Report PT Gunung Pelawan Lestari dated July 18, 2017 and

received by the Forestry and Plantation Agency of Bangka Regency dated July 18, 2017.

- The compliance to the Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations, such as: Plantation Business License based on the decision of Bangka Regent No. 188.45/554/Dishutbun/2015 dated 2 March 2015. The permit is for 11.157 ha palm oil plantation integrated with processing business at capacity of 60 tons of TBS/hour. The other compliance is land use right license covered for 8,092.03 Ha.
- The Company has undertaken prevention and control measures as listed in Safety Act no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical check up, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with factory workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988. The Company also has there fire mitigation officers in accordance with the decision of the Head of the Manpower and Transmigration Agency.

Company had list of regulation and act dated on January 2, 2017. The list are consist of several aspect i.e land act, agriculture and plantation, industrial act, hazardous waste, safety and health, worker act, and environment. List of the regulation and act are kept in the all estates office and mill. The copied of the document are also available in place.

Company has fulfill regulatory for worker aspect such as :

- a. Man power report of Gunung pelawan Lestari estate (GPE) reported to labor agency of Bangka province on 1 september 2017
- b. Man power report of Gunung pelawan Lestari mill (GPM) reported to labor agency of Bangka province on 1 september 2017 and 4 september 2017.

Based on interviews with relevant statutory bodies in District of Bangka (Plantation Agency, Labour Agency, Environment Bodies and the Land Office), it is noted that the management unit has been complied with the regulations related to their business.

All the copy of legal requirements is kept in each unit (Estate and Mill) with supervised by Legal Department and Sustainable & Certification Department.

Also, Tengkalat POM has 4 authorised Boiler Man, 1 welder, 1 electrician and their licenses are still valid. All person in charge regarding OHS has been registered under SMK3. Based on field observation at Mill, several stations had noise exposure > 85 dB. Auditor sighted the all operators used earplug/ear muff while working at those stations. The Mill had complied with requirements of Factories and Machinery.

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

2.1.2 Minor, 2.1.3 Minor & 2.1.4 Minor

The Company has a mechanism to identify, implement and evaluate the compliance with the law described in “SOP Implementasi Undang-Undang dan Peraturan yang Berlaku” No. GPL/SOP/Umum-01, dated 7 Agustus 2012. This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Responsible person for updating the changes of regulations is Legal Manager and Sustainability & Certification Manager.

Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labour, Environment and OHS. All regulations are noted in the list of rules are always evaluated and implemented directly if there any changes of regulatory / latest requirements referenced. The latest evaluation for example was conducted in 6 February 2017 concerning Applicable of Minimum Wage in Bangka Belitung Regency 2017 No. 188.44/1106/TK.K/2016. Based on document verification obtained information the last internal audit for legal compliance performed on 28 November 2016. Internal audit result it's known that all of legal requirement has been accomplished.

Status: Comply

2.2

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

2.2.1 Major

The size area of certification units within this scope is **8,092.03 Ha** based on Land Use Right (HGU), as follows:

Land Use Right (HGU) for Nucleous (5702.19 Ha)

1. Decree of the Minister of Agrarian No. 63/HGU/KEM-ATR/BPN/2017 dated 12 June 2017 for **4268.9 Ha**
2. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 60/HGU/BPN.19/2017 dated 1 February 2017 for **7.2 Ha**.
3. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 57/HGU/BPN.19/2017 dated 1 February 2017 for **23.34 Ha**
4. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 56/HGU/BPN.19/2017 dated 1 February 2017 for **11.74 Ha**
5. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 55/HGU/BPN.19/2017 dated 1 February 2017 for **193 Ha**
6. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 54/HGU/BPN.19/2017 dated 1 February 2017 for **169.10 Ha**
7. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 53/HGU/BPN.19/2017 dated 1 February 2017 for **179.6 Ha**
8. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 52/HGU/BPN.19/2017 dated 1 February 2017 for **199.0 Ha**
9. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 51/HGU/BPN.19/2017 dated 1 February 2017 for **46.01 Ha**
10. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 50/HGU/BPN.19/2017 dated 1 February 2017 for **149.3 Ha**
11. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 49/HGU/BPN.19/2017 dated 1 February 2017 for **194.8 Ha**
12. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 48/HGU/BPN.19/2017 dated 1 February 2017 for **7.23 Ha**
13. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 47/HGU/BPN.19/2017 dated 1 February 2017 for **173.2 Ha**
14. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 25/HGU/BPN.19/2016 dated 17 May 2016 for **7.74 Ha**
15. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 26/HGU/BPN.19/2016 dated 17 May 2016 for **16.47 Ha**
16. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 27/HGU/BPN.19/2016 dated 17 May 2016 for **40.43 Ha**
17. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 28/HGU/BPN.19/2016 dated 17 May 2016 for **2.817 Ha**
18. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 15/HGU/BPN.19/2015 dated 29 June 2015 for **12.31 Ha**

Building Use Right (HGB) Tengkalat Mill (24.95 Ha)

1. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 31/HGU/BPN.19/2015 dated 29 June for **13.65**
2. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 30/HGU/BPN.19/2015 dated 29 June 2015 for **11.3**

Land Use Right (HGU) Palm Cooperative Mapur Mandiri (188.67 Ha)

1. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 78/HGU/BPN.19/2017 dated 1 February 2017 for **14.56 Ha**
2. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 77/HGU/BPN.19/2017 dated 1 February 2017 for **29.30 Ha**
3. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 76/HGU/BPN.19/2017 dated 1 February 2017 for **24.84 Ha**
4. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 61/HGU/BPN.19/2017 dated 1 February 2017 for **11.16 Ha**

5. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 14/HGU/BPN.19/2015 dated 29 June 2015 for **108.8 Ha**

Land Use Right (HGU) Palm Cooperative Ikhtiar Sejahtera (292.67 Ha)

1. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 75/HGU/BPN.19/2017 dated 1 February 2017 for **31.59 Ha**
2. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 74/HGU/BPN.19/2017 dated 1 February 2017 for **90.92 Ha**
3. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 73/HGU/BPN.19/2017 dated 1 February 2017 for **5.24 Ha**
4. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 07/HGU/BPN.19/2015 dated 29 June 2015 for **71.57 Ha**
5. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 08/HGU/BPN.19/2015 dated 29 June 2015 for **93.35 Ha**

Land Use Right (HGU) Palm Cooperative Gunung Muda Sejahtera (1660.49 Ha)

1. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 72/HGU/BPN.19/2017 dated 1 February 2017 for **142.4 Ha**
2. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 71/HGU/BPN.19/2017 dated 1 February 2017 for **180.6 Ha**
3. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 70/HGU/BPN.19/2017 dated 1 February 2017 for **179.8 Ha**
4. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 69/HGU/BPN.19/2017 dated 1 February 2017 for **186.4 Ha**
5. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 68/HGU/BPN.19/2017 dated 1 February 2017 for **51.65 Ha**
6. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 67/HGU/BPN.19/2017 dated 1 February 2017 for **153.2 Ha**
7. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 66/HGU/BPN.19/2017 dated 1 February 2017 for **182.6 Ha**
8. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 65/HGU/BPN.19/2017 dated 1 February for **153.2 Ha**
9. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 64/HGU/BPN.19/2017 dated 1 February 2017 for **199.2 Ha**
10. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 63/HGU/BPN.19/2017 dated 1 February 2017 for **182.7 Ha**
11. The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 62/HGU/BPN.19/2017 dated 1 February 2017 for **179.4 Ha**

Land Use Right (HGU) Palm Cooperative Silip Lestari (223.07 Ha)

- 1 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 59/HGU/BPN.19/2017 dated 1 February 2017 for **10.12 Ha**
- 2 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 58/HGU/BPN.19/2017 dated 1 February 2017 for **5.02 Ha**
- 3 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 09/HGU/BPN.19/2015 dated 29 June 2015 for **38.06 Ha**
- 4 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 10/HGU/BPN.19/2015 dated 29 June 2015 for **10.12 Ha**
- 5 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 11/HGU/BPN.19/2015 dated 29 June for **21.7 Ha**
- 6 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 12/HGU/BPN.19/2015 dated 29 June 2015 for **10.35 Ha**
- 7 The decision of the agrarian head of Prov. Kep. Bangka Belitung No. 13/HGU/BPN.19/2015 dated 29 June 2015 for **127.7 Ha**

2.2.2 Minor

The Company has a boundary map completed with scale, number of boundary poles and coordinates. Monitoring of boundary poles is conducted every six months based on the procedure "SOP Pembuatan dan Pengelolaan Tanda Batas Kebun (SOP/Umm-14), 7 Agustus 2012". Based on the result of field observation and using GPS tool GARMIN GPSmap 62s series found that legal boundaries are well maintained and clearly appropriate with coordinate points, such as in GPE poles No. BPN813, Kop14, BPN170 and in TGE Poles No. Kop431, BPN247, BPN253, Kop259.

2.2.3 Minor, 2.2.4 Major, 2.2.5 Minor & 2.2.6 Major

Based on the results of interviews with the surrounding community (Gunung Pelawan Village, Gunung Muda Village and Mapur Village) there is currently no land disputes or land conflicts. Land disputes have occurred, but the results of verification documents of dispute settlement meetings and interviews with local communities and Plantation agency are known that complainants can not show sufficient evidence of ownership so that the dispute is settled legally and mediated with the government. The company is also committed not to use mercenaries and paramilitaries in the process of problem solving or securing corporate activities.

Status: Comply

2.3

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

2.3.1 Major, 2.3.2 Minor, 2.3.3 Minor & 2.3.4 Major

The Company has Land Acquisition Procedure no. GPL / SOP / General-27 Document dated 2 March 2016. The procedure has been socialized with the community parties as an example of 9 December 2016. The process starts from identification and mapping followed by measurement and physical check of the field then The Operation room assistant (ORA) will negotiate the price witnessed by village officials. The results of land compensation documents and public consultations with the surrounding communities (Gunung Pelawan Village, Gunung Muda Village and Mapur Village) are known that there is no communal or customary land in the operational area of PT Gunung Pelawan Lestari. The Company's territory is a state land and belongs to individuals who have been reimbursed and mutually agreed.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

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

3.1.1 Major

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

- Tengkalat Mill processing projection document (2017-2020)
The document describes the tonnage target of PT Gunung Pelawan Lestari and external production. In addition to the projected production of fresh fruit bunches, CPO budget and PK budget are also presented within the next 4 years.
- Projected production documents of Estate (2018-2022)
This document explains the projected production of estate in each division per year.,
- The certification unit routinely conducts an annual budget review outlining the achievement of predetermined performance, internal or external audit results, OHS performance and ongoing improvement recommendations.

Business management plan (budget) also includes information related smallholders scheme. Long term plan consist of (but not limited to) Year of Planting, Hectarage, Estimated Production, road maintenance, soil conservation, drainability/drainage system, IPM, etc. For subsidence issues, all subsidence stakes/poles had just installed in April 2017, therefore insufficient data to be monitored.

3.1.2 Minor

Based on the results of document review and interviews with management representatives, it is known that the oldest planting age is now 11 years (2006 planting year), so replanting program has not been projected.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1 Major

The certification unit has owned and documented procedures related to operational activities in estates and mill into Bahasa Indonesia. For example related to the operational activities of the estate such as SOP Harvest and Transportation, Nursery, Land Preparation, Oil Palm Planting, Non-Produce Plant, Weed Control, Pest and Disease, Water Conservation and Management, Planting and Fertilization. In addition, the certification unit has a safety policy on the use of chemicals, regulated in weed, pest and disease control procedures (GPL / SOP / AGRO - 07, August 7, 2012), which explains the types and doses of pesticides used, the use of PPE, handling tool work, first aid, prohibition of eating and drinking during work. For example for chemical weed control.

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

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

Based on interviews with Gunung Pelawan Estate (GPE) workers on Fertilization activities in block B17, Spraying on block E29, Harvesting in blok D32, , it can be concluded that workers can explain technical work and demonstrate it well in accordance with the procedures they have.

4.1.2 Minor

Based on the results of the document review, it is known that the management unit has routinely conducted the activity of inspection or monitoring activities according to the operating procedure at least once a year. For example, the internal audit report of factory operations carried out by the Internal Audit Department which describes, among others, cash bank administration, warehouse inventory administration, FMIS, vehicle, heavy equipment and machinery activities, crop processing, personnel administration and wages, weightbridge data, factory safety and follow up of internal audit reports. The latest internal audit conducted on 12-15 June 2017. An internal audit findings are still progress to be followed up while the RSPO initial audit held.

4.1.3 Minor

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

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

4.1.4 Major

Tengkalat POM has implementing of Mass Balance supply chain model where receiving FFB's from certified and non-certified sources. For FFB's entering the mill from non certified sources, Tengkalat POM has own procedure "SOP Penerimaan TBS Luar (No. Dok: SOP/TGM/22, Rev. 1, tanggal 1 Januari 2017)". Tengkalat POM has had list of FFB's supplier as follow:

Certification scope (RSPO Certified):

1. Gunung Pelawan Estate/ GPE (PT. Gunung Pelawan Lestari – own estate)
2. Tengkalat Estate/ TGE (PT. Gunung Pelawan Lestari – own estate)
3. Gelam Estate/ GME (PT. Gunung Pelawan Lestari – own estate)
4. Cemara Estate/ CME (PT. Gunung Pelawan Lestari – own estate)
5. Koperasi Ikhtiar Sejahtera/ smallholder GPE (PT. Gunung Pelawan Lestari)
6. Koperasi Mapur Mandiri/ smallholder TGE (PT. Gunung Pelawan Lestari)
7. Koperasi Silip Lestari/ smallholder GME (PT. Gunung Pelawan Lestari)
8. Koperasi Gunung Muda Sejahtera/ smallholder CME (PT. Gunung Pelawan Lestari)

Independent FFB's suppliers/collectors (Non-Certified), are as follows :

1. CV. Putra Mandiri. Bangka Regency. Agreement dated 14 September 2016.
2. CV Bangun Era Sejahtera. Bangka Regency. Agreement dated 14 September 2016.

Status: Comply

4.2

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

4.2.1 Minor

The certification unit has a SOP implementation record to maintain soil fertility in order to optimize production, eg fertilization should be based on soil and leaf analysis results. The certification unit shows the results of the soil analysis conducted by the Laboratory Department of Soil Science and Land Resources, Faculty of Agriculture, Bogor Agricultural University and the leaf analysis conducted by PT Nusa Pusaka Kencana Analytical & QC Laboratory R & D Center.

4.2.2 Minor

The certification unit has a fertilizer recording as found in the recommendation document and the realization of Urea, MOP and RP semester II of 2017 GPE and TGE, eg GPE for Urea fertilizer recommended 337.71 tonnes and has been applied 140.39 tonnes (42%), MOP fertilizer recommended 455.51 tonnes and has been applied 282.12 tonnes (62%) and RP fertilizer recommended 578.88 tonnes and has been applied 23.52 tonnes (4%). In addition, the certification unit has a record of the use of fertilizer per ton of FFB production eg at Tengkalat Estate for January to August 2017 Urea Fertilizer Type 0.01294 tonnes of fertilizer / tons of FFB / year and Type of Fertilizer MOP 0.02056 tonnes of fertilizer / ton of TBS / year.

4.2.3 Minor

The certification unit has the SOP of the sampled soil and leaf soil in the no. GPL / SOP / AGRO-09 dated January 1, 2011 on fertilization explaining that fertilizer recommendation should be made based on the analysis of leaf and soil tissue samples. Based on the Company's Palm Oil Cultivation Guidebook, it is explained that the sampling and leaf analysis is conducted once a year and soil sampling is carried out every five years. The certification unit shows leaf sample records, for example R & D Center documents PT Nusa Pusaka Kencana Analytical & QC Laboratory Foliar Analysis Report LSU Gunung Pelawan Estate, on August 2016, Ref. No. 170 / RD / EXT / L / AGT / 17 showing the results of laboratory analysis of 20 leaf samples with result of Ash, N, P, K, Mg, Ca, B, Cu and Zn. The results of the analysis are incorporated into the fertilization program shown in the Fertilizer Recommendation Report - 2017 document, for example Gunung Pelawan Estate, Carmiel Agrotech SDN BHD which describes the results of leaf analysis, field observation, rainfall, production achievement, time and method of application, fertilizer rates & recommendations and acknowledge. The document also shows fertilizer recommendation based on Field location, planting year, block, area, stand per hectare and Recommendation semester I and II.

4.2.4 Minor

The certification unit has a recording strategy for nutrient recycling by applying semi-compost. Based on the results of interviews with the management, it is known that for the application of compost (harvest compost) can be done after 15 days after being in the composting area and should be applied as soon as possible on the circle.

The certification unit shows maps, programs and realizations of semi-compost applications, eg for the Tengkalat Estate Program 2017 with programmed areas such as C46, C47, D49, D50, J56, K54 and K55 with a dose of 300 kg/ palm.

The certification unit plans to recycle POME nutrition that is currently under review. Based on field observations in the blocks G40 and F41 of Tengkalat Estate, it is known that the certification unit has made an assessment block on the block and for the G40 block has been flown POME. Flat Bed made about 13 - 16 units per line with a volume per unit of 16.5 m3.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The certification unit have a semi-detailed soil survey documents report for PT Gunung Pelawan Lestari dated August 12 to 23, 2009 informing about the kind and type of soil in all the 4 estates. The map has been equipped with a location about the company and the legend of the river, the surrounding city, the estate boundaries, soil types, and georeferen.

4.3.2

The certification unit has a planting policy on the slope of which is contained in the Guideline of Oil Palm Cultivation B Palm Pointing Cultivation Point B which explains how to make the planting path on the hilly / slope area by making the pitch. In addition, the certification unit also has SOP No. GPL / SOP / AGRO-05) dated 7 August 2012 on soil and water conservation which states that soil conservation activities include constructing silplit / foot hill drain, trenches, planting of vertiver conservation crops and cover crops and also contained in SOP no. GPL / SOP / AGRO-04, concerning the planting of cover crops explaining that the type of cover crop used is *Mucuna bractetata*. Management of the slope area for example is done by making the terrace and planting *Mucuna bracteata*..

Based on field observations to immature area in block D32 Division 1 Gunung Pelawan Estate, known to the company has been planting *Mucuna bracteata* as a cover crop not found areas with steep slopes.

4.3.3

The certification unit shows a cooperation agreement for road hoarding and hardening of roads, for example work agreement number GPL / GPE / 03/2017/099 between PT Gunung Pelawan Lestari with CV Karya Putra Bangka to perform hauling work and stone grading for hardening of access road for fresh fruit bunches and CPO with period from 1 March 2017 sd September 30, 2017.

The certification unit shows the Minutes of Work Inspection dated April 29, 2017 for conveyance and shading stone by CV Karya Putra Bangka in Gunung Pelawan Estate with realization in blocks B13-14, C13-14, B22, C22, B18-21, C18-21, B15, C15, C3-10, B3-10, E36-37, D34-39, E36-38, D36-38 and D40-42 (plan maps and realizations have been shown). Based on the results of field observation in GPE and TGE, it is known that the road conditions of Access Road, Keyroad, Collection Road and Main Road are in good condition and well maintained.

4.3.4 ; 4.3.5

The certification unit shows technical guidance on the management of peat areas listed in the Water Conservation and Water Management Sector Guideline Manual such as keeping the water level above the pyrit layer and at level of 0.45 - 0.60 m above the ground level throughout the year, measuring groundwater level using a piezometer, creating a permanent dam or using a sack.

The decrease in ground level is monitored by using subsidence pole installed in the peat area. Based on field observation to subsidence pole number 2 in block E54 Division 1 KKPA TGE, it is known that the installation of new subsidence patent is done in September 2017.

Based on field observation in peat area in Division 1 KKPA TGE, Stop Bund and water level in block E53, Pizeometer number 22 in block E54 and subsidence pole number 2 in block E54, it is known that the certification unit has done water management and recording the condition high water level and ground level. Based on the field visit, piezometer number 22 shows the number 109 cm, water level indicates the number 20 cm below ground level. Based on the results of field

observation either in GPE or TGE, it is known that the certification unit has planted ground cover on new plant area 2016 and 2017 as it is in GPE.

The certification unit shows a map of peat area and piezometer distribution (34 units), stop bund (2 units) and subsidence pole (3 units).

Based on the results of document review and interviews with management representatives, it is known that the oldest planting age is now 11 years (2006 planting year), so replanting program has not been projected.

4.3.6

The certification unit has a management strategy on critical land and other land issues contained in the semi-detailed soil survey of PT GPL conducted by PT Earth Line in 2009. The report outlines the suitability of the land along with the necessary actions to increase the suitability of the land. Based on the report, it is known that the limiting factor in the land in the operational area of the company is low nutrient content, sandy soil, root conditions, water management and peat soil. Some recommended strategies include increasing soil organic content through nutrient recycling through the application of EFB compost and laying of frond among the palm.

Based on field observations in GPE and TGE, it is known that management strategy such as giving extra compost with dose of 300 kg / palm or 40,80 ton / ha.

Status: Comply

4.4

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

4.4.1

“Monitoring tinggi muka air gambut dan subsidensi gambut tahun 2017” is an implemented water management plan. While, water usage efficiency for Palm Oil Mill is one of water management plan to maintain surface water.

4.4.2

Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones is prepared by the company through the procedure of Monitoring and Management of HCV “SOP Pengelolaan dan Pemantauan NKT (No. Dok: GPL/SOP/Ummum-07, Rev. 00, 7 August 2012)” which is covers for Peat Land and Buffer Zone Management.

During field observation at riparian Duku River as HCV area in Block D/E34, it was found that buffer zone are grow naturally. But this area is very risky due to Tin mining area by PT Timah Indonesia still active operated. It was causing turbidity of river water.

4.4.3;

The company has an approval letter of Land Application Review dated July 31, 2017 with letter no 660 / 355.3 / DINLH / VIII / 2017 and valid until 1 year ahead. The result of field visit in block G40, known that the company has conducted waste water application in accordance with the block on the document of waste water utilization plan with the area of 200,18 Ha. In the document of waste water utilization plan, PT GPL has been testing the quality of waste water. In the document, it was found that testing was conducted by the Seameo Biotrop Services laboratory and issued the results on February 3, 2017, with the result:

- pH: 7.5
- BOD: 1240 mg / L
- COD: 2788 mg / L
- Oil and grease: 15 mg / L

Besides, the management unit also monitor of water quality on the river as recommended of EIA document. Result of Tengkalat River water quality test on February 3rd, 2017:

TSS (mg/L): 30.3 (upstream); 31.3 (mid); 29.8 (downstream); Threshold (85). Reference PP No. 82 Year 2001.

4.4.4

Monitoring records of mill water use per ton of FFB is available in place.

Summary of water usage 2016 (after Mill commissioning)

| Month | FFB Process (MT) | Water (m3) | Efficiency (m3/MT FFB) |
|-----------|------------------|------------|------------------------|
| April | 3434.90 | 7,980 | 2.32 |
| Mei | 5660.12 | 5,310 | 0.94 |
| Juni | 5282.09 | 5,261 | 1.00 |
| Juli | 4823.35 | 5,194 | 1.08 |
| Agustus | 6749.31 | 6,558 | 0.97 |
| September | 12087.94 | 11,369 | 0.94 |
| Oktober | 15380.65 | 15,759 | 1.02 |
| November | 18786.19 | 18,886 | 1.01 |
| Desember | 18215.73 | 18,521 | 1.02 |

Summary of water usage 2017

| Bulan | TBS Proses (MT) | Air (m3) | Efisiensi (m3/MT FFB) |
|----------|-----------------|----------|-----------------------|
| Januari | 14822.40 | 16222 | 1.09 |
| Februari | 14260.90 | 15403 | 1.08 |
| Maret | 16306.10 | 19132 | 1.17 |
| April | 18226.60 | 25806 | 1.42 |
| Mei | 21267.56 | 24584 | 1.16 |
| Juni | 14997.81 | 17731 | 1.18 |
| Juli | 23525.69 | 26061 | 1.11 |

In addition, rainfall data monitoring is collected periodically and summarized on monthly basis. All the data is provided in the monthly report, but this data not for proper water management only. Because plantation area dominated as White sand quartz soil type, only 10% as peat swamp soil. As a history that mostly this area containing Tin minerals and several mining is occurred in some area.

Status: Comply

4.5

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

4.5.1 Major

The Certification unit performs detection by receiving reports from workers then a census is done to determine the actual level of attack through the sampling result. If the census indicates the attack is above the threshold, the control will be applied by the certification unit. For example, in February 2017, based on the results of the census in the GPE found pest attacks of mice that exceeded the threshold in blocks B18 – 21 and C18 – 22. Control performed by the certification unit is a chemical application using rodenticide.

4.5.2 Minor

Certificate holder demonstrates records of training provided to workers involved in the process of integrated pest management, eg Integrated Pest Management (IPM) Training on Mei 8, 2017 Gunung Pelawan Estate which was attended by 15 participants.

Based on the results of interviews with one census officer at the GPE (at fertilization activity) and 1 census officer at TGE (during term census), it is known that the person has received training related to census and pest control such as termite pest and rat pest and the worker can explain the palm signs of termites and and palms belonging to the category of rodent pests.

Status: Comply

4.6

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

4.6.1 Major

The certification unit has procedures related to chemical activities such as spray work and pest control. The procedure is

contained in procedure No. GPL / SOP / K3-11 dated January 1, 2011 describing the toxic hazardous waste management. The certification unit use pesticides listed in pesticide commissions according to actual targets and targets in the field. Based on field observations both in GPE and TGE on herbicide application activities, for example in spraying activities in TGE block H52 Division 3, using Gramoxone and Trendy chemicals, it is known that workers have attended limited pesticide training, understand the applicable procedures such as should be equipped with the appropriate PPE, before the material is brought to the field must be mixed first in the warehouse, spraying done in accordance with the predetermined dose, after spraying the knapsack sprayer washed in place provided by the company, employees are not allowed to eat, drink, smoke during spraying.

4.6.2 Major

The certification unit documenting the use of pesticides, for example for the July 2017 period use presented pesticide use data for TGE active ingredient lambda cyhalothrin 0,000010722 kg / LD 50 / ton of fresh fruit bunches. Notes on the use of pesticides (including active ingredients used and LD50 of the active ingredient, targeted area, number of active ingredients applied per ha and number of applications) have been demonstrated.

4.6.3 Major

The certification unit implements an integrated pest management system by collaborating on biological and chemical controls. The use of chemical techniques is not done in a preventive manner, but based on the results of early warning systems of detection and census. The development of useful plants such as *Turnera subulata* is used as a biological control technique as a place to live predator nettle caterpillars. Based on the results of field visits along the sampling sites in Gunung Pelawan Estate and also in Tengkalat Estate, found beneficial plant development *Turnera subulata* along the site of the visit.

As for pesticide reduction program, this management unit still using Paraquat dichloride as herbicide to handling specific weeds. But as a company commitment to reducing Paraquat has been demonstrated. It was proof that between year 2016 and 2017, there is a significant reduced. In example: GPE: 0.50 L/Ha (2016) and 0.40 L/Ha (upto August 2017).

4.6.4. Minor

The certification unit has a complete list of pesticides belonging to the World Health Organization Class 1A or 1B, or those listed in the Stockholm or Rotterdam Conventions. The document is listed in the List of Pesticides documents Classification of 2017 which identifies trade names, active ingredients, active ingredient content, LD 50 (mg / kg), WHO classification and product classification. For example, for the Supretox trademark (paraquat dichloride) classification of WHO class II and Ratgone 0.005 BB (Brodifacum) IA. This is confirmed by circular No. 002/ HOOASUMUT/ III/ 2014 dated 6 March 2014 stating that the certificate holder has a commitment to reduce the use of paraquat as the growth of plant life. The certification unit also shows an email recording of President Director of PT Evans dated September 6, 2017 to the management board of PT evans, explaining that for budget 2018, the President Director decided that the use of paraquat active ingredients would be replaced with the active ingredient ammonium glyphosinate (Basta), so that next year no again the use of Paraquat.

Based on field observation in blocks H52, Division 3 of Tengkalat Estae, it is known that is being done circle and path spraying activity rotation II using Paraquat dichloride active ingredient. Based on interviews with herbicide operators on these activities, it is known that all herbicide operators have attended limited pesticide training. The certification unit still uses Brodifakum active ingredients for rat pest control. However, its use is based on the detection and rat census. The certification unit strives to minimize the use of brodifakum active ingredients. The certificate holder up to now has controlled mice using natural enemies.

4.6.5 Major and 4.6.9 Minor

The certificate holder shows a limited pesticide training certificate for pesticide operators conducted in 7 September 2017 at Tengkalat Estate. Based on field observations and interviews with workers in Gunung Pelawan Estate and Tengkalat

Estate, it is known that workers have been equipped with Personal Protective Equipment in the form of helmets, goggles, masks, long-sleeved shirts, apron, rubber gloves and boots in accordance with product label materials which is used and has received training related to internal and external spraying, such as Agricultural Training for Foreman and Spraying Employees, in Division 3 Gunung Pelawan Estate, dated May 10, 2017. In addition, based on interviews and field observations in agrochemical warehouses, chemicals for spraying are placed on special warehouses by the preparation of appropriate size criteria and have been equipped with MSDS of each material. The foreman of spraying has been equipped with a first aid kit that can be used in case of work accident. In addition, the foreman also has provided a warning board on the block that applied pesticides to others know that there is spraying activity in the block.

4.6.6. Major

Based on observations to the pesticide storage warehouse, the warehouse is equipped with symbols related to the hazard level of pesticides, MSDS each pesticide and its storage has been classified according to its danger level, PPE, first aid box, mechanism of emergency response, fire extinguisher and procedures for workers. In addition, only warehouse officers have access to pesticide / chemical warehouses.

Chemical packaging waste will be collected at hazardous waste warehouse and recorded in the hazardous waste monitoring logbook. In addition, containers of chemical (pesticides) are reused to transport chemicals (toxins) and stored in mixing areas. There is also monitoring of chemicals packaging that are reused to transport chemicals in the mixing area.

4.6.7 Minor

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

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

4.6.8 Major

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

4.6.10

Company has procedures of hazardous waste management no. document GPL/SOP/K3-11 revision 01 dated 27 April 2015. According to interviews, manager and hazardous waste operator understood procedures of agrochemical waste management, which are stored in Hazardous Waste Warehouse and handed over to the Hazardous Waste's collectors periodically, then submitted the report to relevant agency. Company has been socialized waste management related to hazardous waste or domestic waste. For example, socialization of waste management on February 8, 2017 attended by 72 participants.

4.6.11 Major

The company has conducted health checks for employees, including physical examination, urine, blood, cholinestrase, eye visus and spirometry on 13 October 2016. As for audiometry performed on 14 June 2017. The Company has conducted an evaluation and follow up on the results of the medical examination on the recommendation of the doctor, as an example of the use of PPE and follow-up examination of 14 June 2017. Based on the results of interviews during

field visits in GPE and TGE on operational activities such as spraying and fertilization it is known that the employee has received a medical examination. According to interview with pesticide and fertilizer operator at GPE and TGE, it was clearly admitted that medical checkup has been conducted by the doctor. The result already informed to the workers and there are no symptoms of skin disorders. Based on MCU data records and interview with doctor, there is no case for low blood cholinesterase level as well.

From the results of field visits in Tengkalat Mill as in the boiler station is also known that the operator has received audiometric health examination.

4.6.12 Major

Based on interviews with workers in spraying activities in GPE and TGE, there is no female spray workers in the state of pregnancy or breastfeeding. However, it is known that workers have understood the prohibition of pregnant and breastfeeding women to work in spray activities, if any are pregnant or breastfeeding workers transferred to manual care activities and not related to agrochemicals. For example, letter no. 005/ 2 INTI/ SRT.PKR/ 02/ 2017 on March 10, 2017 related to transfer of spray activity to activity which not related to agrochemical due to worker in pregnant condition.

Status: Comply

4.7

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

4.7.1 Major

The Company has a Health & Safety Policy approved by President Director on 2 January 2011. The policy had been disseminated to employees, plasma farmers, plasma cooperative management, surrounding villages and contractor workers such as a socialization on 4 Maret 2017. Based on interviews on operational activities in TGE, GPE and Tengkalat Mill as examples of harvesting, spraying, fertilizing and processing stations it is known that the policy has been understood by the workers and the workers understand the principles of how to work safely. The company also shows the Health and Safety of Work Program in 2017 including safety training activities, monthly meetings, PPE provision, provision of first aid boxes, fire monitoring, housekeeping checks etc. The implementation of the program is monitored regularly and evaluated at OSH meeting. Workers are also understood with the policy but still less implementation. Refer to NC raised regarding PPE implementation (Indicator 4.7.3). Briefing conducted everyday during muster morning prior to work. Also, socialization has been made periodically.

4.7.2 Major

The Company identifies the hazard and risk control as set forth in the 2017 risk assessment document. The risk analysis covers all operational activities in the plantation and plant by analyzing the potential hazards, risk levels and control measures. Based on the results of field observations on operational activities in the TGE, GPE and Tengkalat mill such as harvesting, spraying, harvesting and processing activities known that the company has conducted risk analysis and implemented in the field such as safe working procedures in harvesting, spraying etc.

4.7.3 Major

All workers involved in operational activities are trained in safe working practices. In addition to basic OSH training provided to employees, there are special trainings given to certain employees such as hyperkes training for medic, boiler operator training, heavy equipment operator training, welder training and electrician training. This is in accordance with the results of interviews with employees during field visits at several work sites such as harvesting, fertilizing, spraying and processing.

Latest training for Mill workers was held on 17 May 2017, including workers who work at high noise level station. Due to Mill started on period March 2016, training for workers at high noise level been conducted for 2 times (annually).

Based on interview and observation at Mill, PPE for workers at high noise level station is earmuff. If there is any case related exposed of hearing, the workers will transferred to another station, as doctor recommendation. But so far, there is no hearing loss/decreased was occurred.

The company already have systems in the provision/use of PPE for employees. The system explains the risks of each job PPE should provide, the schedule for replacing the PPE, the replacement of the PPE if it is damaged and the types of PPE for each job. Such systems are documented in:

- Procedures for the use of PPE No. GPL / SOP / K3-13 documents valid from August 7, 2012.
- Monitoring Assessment of OHS Risk Assessment in 2017 both in plantations and factories approved by a general K3 Expert and Manager.
- Document "Suitable Personal Protective Equipment".
- Memorandum from Senior Manager ref. 006 / SM GPL / II / 2017 dated February 1, 2017.

However, based on the results of field observation and documents verification related to PPE, there is non compliance in its application as follows:

- Visit in GPE block B17 division 1 on fertilization activity. Of the 3 fertilizers interviewed, it is known that 3 such fertilizers use PPE boots purchased by themselves.
- Visits in GPE workshops found workers using grinders not using glasses/face shields.
- Visits in TGE block H52 division 3 on spraying activities. Of the 6 people sprayers there are 2 people using PPE boots in damaged condition.
- Visits in Tengkalat Mill were found by some workers using self-purchased APD shoes, such as in grading station (2 persons from 3 interviewees), 1 loading ramp station operator, 1 foreman processor, 1 station operator, boiler station (1 person of 3 people interviewed).

Based on this, the company has not been able to demonstrate the application of the system of supply/use of PPE in accordance with the established system. **NC 2017.1**

4.7.4 Major

The Company has officers responsible for safety and health. The organizational structure of the OSH has been endorsed by the Manpower Agency of Bangka district and the Secretary of OSH has been trained as a general safety expert. OSH meetings are held regularly once a month to discuss monitoring and supervision of OSH implementation in the field and work accident assessment so that work accident does not repeated. Based on the results of interviews with employees during field visits on operational activities in TGE, GPE and TGM it is known that the employees have received socialization related to OSH from officers in charge of OSH. From the field observation also found personnel who are responsible in the case of OHS such as officers who bring the first aid kit and have received first aid training.

4.7.5 Minor & 4.7.7 Minor

The Company has emergency procedures and occupational injuries, including those listed in the Emergency Management Procedures document (document number SOP / General-10) and Work Accident Reporting and Handling Procedures (document number SOP / K3-14). In addition, the certificate holder also has a certified first aid officer and has been trained to the foremen with a first aid kit. Records of all accidents are analyzed in lost time accidents and monitored regularly for continuous improvement. Based on interviews with foremen and spraying workers, fertilization and harvesting at GPE and TGE, it is known that workers have been aware of emergency response procedures, for example in case of an emergency in the housing then have to gather at the gathering point and in case of work accident the foreman must perform first aid using the first aid kit provided. To prevent mishaps, the company has the record of working accident monitoring by lost time analysis as below:

| Month | Gunung Pelawan Estate | | | Tengkalat Estate | | | PKS Tengkalat | | |
|----------|-----------------------|-------|-------|------------------|-------|-------|---------------|-------|-------|
| | Amount | FR | SR | Amount | FR | SR | Amount | FR | SR |
| Jan 2016 | 1 | 15,17 | 15,17 | 3 | 36,32 | 72,64 | 0 | 0 | 0 |
| Feb 2016 | 5 | 46,03 | 46,03 | 2 | 31,20 | 62,41 | 0 | 0 | 0 |
| Mar 2016 | 2 | 45,53 | 45,53 | 0 | - | - | 0 | 0 | 0 |
| Apr 2016 | 1 | 37,95 | 37,95 | 2 | 21,46 | 42,92 | 0 | 0 | 0 |
| May 2016 | 2 | 36,23 | 36,23 | 1 | 19,87 | 39,75 | 0 | 0 | 0 |
| Jun 2016 | 3 | 37,72 | 37,72 | 0 | - | - | 1 | 13,14 | 13,14 |
| Jul 2016 | 2 | 37,12 | 37,12 | 0 | - | - | 0 | 0 | 0 |
| Aug 2016 | 1 | 34,48 | 34,48 | 2 | 15,68 | 31,35 | 0 | 0 | 0 |
| Sep 2016 | 2 | 34,32 | 34,32 | 1 | 15,44 | 49,13 | 0 | 0 | 0 |
| Oct 2016 | 1 | 36,12 | 36,12 | 0 | - | - | 0 | 0 | 0 |

| | | | | | | | | | |
|----------|---|-------|--------|---|-------|--------|---|---|---|
| Nov 2016 | 3 | 41,40 | 41,40 | 1 | 13,87 | 102,99 | 0 | 0 | 0 |
| Dec 2016 | 2 | 45,23 | 45,23 | 0 | - | - | 0 | 0 | 0 |
| Jan 2017 | 1 | 15,46 | 170,11 | 0 | 0 | 0 | 0 | 0 | 0 |
| Feb 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mar 2017 | 1 | 10,30 | 72,13 | 0 | 0 | 0 | 0 | 0 | 0 |
| Apr 2017 | 0 | 0 | 0 | 1 | 3,24 | 12,96 | 0 | 0 | 0 |
| May 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jun 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

SR: Severity Rate; FR: Frequency Rate.

4.7.6

The Company is able to show the payment evidence of contributions for health and accident insurance period June 2017. There are record the payment for the health insurance for June 2017 with the transaction Reference no. 201707100901960344 and no. 201707091038881037.

Based on interviews with upkeep and kernet (loose fruit worker), it is known that workers have gained access to existing medical care. In addition, information obtained from worker union personnel, all workers have obtained health insurance as a form of medical services that have been made by the company.

According to direct interview with local contractor (FFB's supplier) CV Multi Nusa Pratama, all workers are covered by insurance and it was responsibilities of contractor.

| | | |
|--------------|--|---------------|
| 4.7.3 | Status: Nonconformity no. 2017.01 with Major Category | closed |
|--------------|--|---------------|

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

4.8.1 Major

The company has arrange training programs in early years for all worker. the training programs consider the worker competence and also cover all aspect of RSPO requirement. The company has record all the documentation for the training that has been conducted. The documentation show that all worker and related stakeholder are informed and trained well by the company.

Based on interviews with upkeep and kernet (loose fruit worker) also local contractor known that all personnel has trained regarding the RSPO aspect. Personnel also can demonstrate the knowledge they have give from attending the training. If any new requirement, the company will informs immediately to all workers and relevant stakeholder.

4.8.2 Minor

The Company was able to show the reports of realization in the form of minute of training along with materials, attendance list and photos for Gunung Pelawan Estate and Tengkalat Estate. Training records for all employees and contractors are recorded that have been implemented and attended by employees; records of the training have been stored and maintained by the company. For example: Agronomic Training, Company Policy (July 2017), harvest procedures (March 2017), spraying procedures (May 2017), fertilization procedures (April 2017), maintenance procedures (May 2017), Company Vision and Mission socialization (April 2017), RSPO and ISPO awareness (July 2017), HCV training (April 2017), Limited Pesticide Training (April 2016) and IPM training (Mei and March 2017).

| | | |
|--|-----------------------|--|
| | Status: Comply | |
|--|-----------------------|--|

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

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

5.1.1

The company has Environment Impact Assessment (Amdal) document with scope area 17,000 ha and Mill capacity of 60 t/hour. There was decree Letter no. 188.44/195.A/BAPEDALDA/2008 on the assign of Environmental Worthiness dated on March 28, 2008. Then, the company conducted addendum Amdal related to the change of location permit which

previously was 17,000 ha then changed to 13,565 ha with mill capacity of 60 t/hour and there is a change of activity plan for waste water management system, approved by related agency on January 27, 2014. Environmental Permit no. no. 188.45/154.2/LH/2014. Basen on document verification, EIA have been involved by affected parties.

5.1.2; 5.1.3

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

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

Status: Comply

5.2

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

5.2.1

Records on the results of HCV assessment that includes both the planted area and the relevant wider landscape-level considerations was done in May 2013 by independent consultant which led by RSPO Approved HCV Assessor. Total area covers in HCV assessment is 13,565 Ha which includes Nucleous Estate (Inti) and Full Managed Smallholder's (KKPA) area.

5.2.2

Threatened or endangered (RTE) species and or other HCVs are present as follows:

| No | Local Name | Scientific Name | IUCN | UU | CITES |
|----------------|--------------------|----------------------------------|------|------|---------|
| Mammals | | | | | |
| 1 | Tarsius; Mentilin | <i>Tarsius bancanus bancanus</i> | EN | 1999 | App. I |
| 2 | Trenggiling | <i>Manis javanica</i> | EN | 1931 | App. II |
| 3 | Kukang | <i>Nycticebus coucang</i> | VU | 1973 | App. I |
| 4 | Lutung | <i>Trachypithecus cristatus</i> | NT | - | App. II |
| 5 | Beruk | <i>Macaca nemestrina</i> | VU | - | App. II |
| 6 | Jelarang | <i>Ratufa affinis</i> | NT | 1999 | App. II |
| 7 | Berang-berang | <i>Lutra sumatrana</i> | NT | 1999 | App. II |
| 8 | Rusa sambar | <i>Cervus unicolor</i> | VU | 1931 | - |
| Aves | | | | | |
| 1 | Puyuh sengayan | <i>Rollulus rouloul</i> | NT | - | - |
| 2 | Walik jambu | <i>Ptilinopus jambu</i> | NT | - | - |
| 3 | Sempur-hujan darat | <i>Eurylaimus ochromalus</i> | NT | - | - |
| 4 | Pelanduk merah | <i>Trichastoma bicolor</i> | NT | - | - |
| 5 | Ciungair pongpong | <i>Macronous ptilosus</i> | NT | - | - |
| 6 | Kepudang Hutan | <i>Oriolus xanthonotus</i> | NT | - | - |
| Reptile | | | | | |
| 1 | Labi-labi | <i>Amyda cartilaginea</i> | VU | - | App. II |
| 2 | Kura-kura katup | <i>Coura amboinensis</i> | VU | - | App. II |

The company has defined the HCV's area that were managed within the certification scope are 355.02 Ha, which presented below:

| HCV | Estate | Division | Size (ha) |
|-----|--------|----------|-----------|
|-----|--------|----------|-----------|

| | | | |
|-------------------------------------|-----|-------------|---------------|
| 1.2; 1.3; 1.4; 3; 4.1; 4.2 | CME | Div. 1 Inti | 177.57 |
| | | Div. 1 KKPA | 24.43 |
| | | Div. 2 KKPA | 24.50 |
| | | Div. 3 KKPA | 6.50 |
| 4.2 | GPE | Div. 2 KKPA | 2.94 |
| | | Div. 2 Inti | 16.10 |
| 4.1; 4.2 | GPE | Div. 2 Inti | 5.70 |
| | GME | Div. 1 Inti | 0.90 |
| 1.3; 4.1; 4.2 | GPE | Div. 2 Inti | 9.20 |
| | TGE | Div. 1 Inti | 33.90 |
| | | Div. 2 Inti | 23.64 |
| | | Div. 3 Inti | 24.96 |
| 6 | TGE | Div. 3 Inti | 0.08 |
| 1.4; 3; 4.1 | TGE | Div. 3 Inti | 3.70 |
| 6 | GPE | Div. 2 KKPA | 0.90 |
| Total luas HCV | | | 355.02 |
| % luas HCV terhadap luas HGU | | | 4.40 |

5.2.3; 5.2.4

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

Also, the company has Management and Monitoring Plan of HCV in Palm Oil Plantation PT. GPL July 2016 – June 2019. Program for several workers that assigned as HCV PIC was planned, in example:

- Wildlife monitoring and inventory training: planned in January 2017 and January 2018
- Wildlife conflict and mitigation training: planned in January 2017, June 2017, December 2017 and June 2018.

Monitoring documentation that was made by the company is referred to the management and monitoring plan. For example: Wildlife monitoring report dated 21 April 2017 in Division 2 Gunung Pelawan Estate is well in place and documented.

5.2.5

Status of HCV areas overlapped with an identified local community's land is not available. During field observation at Block C29 Div. 2 KKPA GPE that identified as HCV 6 is "Orang Lom" graveyard. "Orang Lom" is native people of Bangka island. Auditor also visit to Pejam sub-village to meet, interview and verify one of "Orang Lom" descendant. This aim to ensuring that graveyard is recognized and well managed through collaborative management with the company.

Status: Comply

5.3

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

5.3.1

The company has identified waste sources that include location, source of waste, type of waste, and handling. The list of sources of waste generated such as the pesticides containers, medical waste, household waste, used oil, EFB, shell and fiber, mill effluent etc. The waste products are sourced from estate activities, housing activities, mechanics in the workshop activities, and palm oil mill activities. Including, one of the major pollutant sources due to high organic loading from sewage

and organic rubbish. For domestic waste, the management unit has had location for landfill. While, for sewage, every housing has installed septic tank.

5.3.2; 5.3.3

In the case of hazardous waste management, the company has a licensed hazardous waste warehouse as a temporary storage place for hazardous waste prior to submission to licensed collectors. Result of field visit at hazardous waste warehouse in GPE and TGE, it is known that mill and its supply bases have been managing hazardous waste well. In addition, hazardous waste warehouse has been equipped with PPE, hazardous waste symbol, emergency respons etc. Interviews with warehouse officer, he has understood mechanism of hazardous waste management. Based on interviews, hazardous waste stored in Hazardous Waste Warehouse and handed over to the licensed Hazardous Waste's collectors periodically, then submitted the report to relevant agency. The company able to show recorded evidence agrochemical and other hazardous waste management, such as logbook and manifest hazardous waste, minutes of pick up of hazardous waste and hazardous waste report to environmental agency.

Based on the visit in the composting area, EFB is used as compost raw material. Field visit at biogas plant and WWTP, the wastewater was used for biogas plant, composting process and applied to the land application. Results of visits to housing complex is known there are no containers of chemicals that re-use. In addition, there is no disposal of hazardous waste by fire.

Status: Comply

**5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.**

5.4.1

For improving efficiency of the use of fossil fuels and to optimize renewable energy, Tengkalat POM has installed Biogas Plant to reduce of GHG emission and produced of renewable energy. Based on field observation at Biogas Plant, there are two (2) gas engine machine was installed. One gas engine with capacity 1200 KVA produced energy (electricity) and the Mill made partnership with national electricity (PLN). While the another gas engine with capacity 650 KVA, produced the energy for domestic used (mill processing, office, housing complex).

The certification unit is using renewable energy from optimization of POME management through Biogas Plant installation.

Status: Comply

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

5.5.1 ; 5.5.2

The Company has issued Guideline Oil Palm Cultivation MP Evans Indonesia, where technically open land without burning is in Chapter II clearings, Section 2 zero burning and SOP Management and Monitoring HCV no. GPL/SOP/Umum-07 dated 20 January 2017 revision 01 point 4.1.10 which states that land clearing for new planting is done without burning.

There is no land clearing by burning. Verification results of land clearing records for planting activities, field visits in immature areas and housing complex, no indication of fire use for planting activities or waste management. In addition, based on interview with agencies such as environmental agency, plantation agency and surrounding villages known that there were no issues related to land fires.

Status: Comply

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

5.6.1; 5.6.2

Documents assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent are available in form of “*Inventarisasi dan Mitigasi GRK untuk Perkebunan Kelapa Sawit, Februari 2016*”. This document describing Stages (Land Preparation, Nursery, Plantings, Composting, etc.), Emission Sources, Mitigation Plan, Responsible Person, Supervisor.

Also, the company has procedure for GHG emission inventory “SOP Inventarisasi dan Mitigasi Emisi GRK (No. Dok: GPL/SOP/Umm-28, Rev. 00; 2 Maret 2016)”. Tengkalat POM has installed Biogas Plant and integrated with Palm Oil Mill since March 2016. This effort as a company commitment to reduce of GHG emission and producing renewable energy.



Biogas Plant at Tengkalat Mill

Besides, Tengkalat Mill also has monitoring of noise level (noise pollution) at the mill which conducted periodically by third party laboratory. Summary of ambient quality based on RKL-RPL Report Semester 1 as presented below:

| No. | parameter | Limit/Threshold | Result | Unit |
|-----|------------------|--------------------|-------------------------|---------------------------|
| 1. | H ₂ S | 0,02 | 0,001 | Ppm |
| 2. | NH ₃ | 2,0 | <0,001 | Ppm |
| 3. | SO ₂ | 900 | 87,04 | µg/Nm ³ /1 jam |
| 4. | CO | 30,000 | 1142,5 | µg/Nm ³ /1 jam |
| 5. | NO ₂ | 400 | 35,16 | µg/Nm ³ /1 jam |
| 6. | Noise | 70 | 72 | dBA |
| 7. | Vibration | 4.10 ⁻⁶ | 0,02 x 10 ⁻⁶ | - |

To prevent hearing loss at mill, the company strictly inspect of PPE’s used, besides the MCU is performed annually (particularly audiometric test).

5.6.3

There is a regular system to monitor of emission and pollutants from estates and mill by using RSPO PalmGHG calculator version 3.0.1. Summary of net GHG emissions from PalmGHG Calculator of Tengkalat POM with assessment year 2016 is presented below:

| Emissions per Product | tCO ₂ e/tProduct |
|-----------------------|-----------------------------|
| CPO | 1.92 |
| PK | 1.92 |

| Extraction | % |
|------------|---|
| | |

| | |
|-----|-------|
| OER | 23.34 |
| KER | 5.04 |

| Production | t/yr |
|---------------|-----------|
| FFB processed | 90,420.28 |
| CPO produced | 21,106.84 |

| Land Use | Ha |
|-----------------------------|------------------|
| OP planted area | 9,341.00 |
| OP planted on peat | 800.85 |
| Conservation (forested) | - |
| Conservation (non-forested) | 454.68 |
| Total | 10,596.53 |

Summary of Field Emissions and Sinks

| | tCO2e | Own Crop tCO2e/ha | tCO2e/t FFB | tCO2e | 3 rd Party tCO2e/ha | tCO2e/t FFB | tCO2e | TOTAL tCO2e/ha | tCO2e/t FFB |
|-----------------------------------|-----------------|----------------------|----------------|---------------|-----------------------------------|----------------|-----------------|-------------------|----------------|
| <i>Emissions</i> | | | | | | | | | |
| Land Conversion | 66486.74 | 7.12 | 0.77 | 0 | 0 | 0 | 66486.74 | 7.12 | 0.77 |
| *CO2 Emissions from Fertiliser | 8143.95 | 0.87 | 0.09 | 0 | 0 | 0 | 8143.95 | 0.87 | 0.09 |
| **N2O Emissions | 13303.88 | 1.42 | 0.15 | 0 | 0 | 0 | 13303.88 | 1.42 | 0.15 |
| Fuel Consumption | 993.13 | 0.11 | 0.01 | 0 | 0 | 0 | 993.13 | 0.11 | 0.01 |
| Peat Oxidation | 43726.41 | 4.68 | 0.51 | 0 | 0 | 0 | 43726.41 | 4.68 | 0.51 |
| <i>Sinks</i> | | | | | | | | | |
| Crop Sequestration | - | -9.36 | -1.02 | 0 | 0 | 0 | -87447.95 | -9.36 | -1.02 |
| Conservation Sequestration | 87447.95 | | | | | | | | |
| Total | 45206.16 | 4.84 | 0.53 | 551.78 | 0 | 0 | 45757.94 | 4.84 | 0.53 |

Summary of Mill Emissions and Credits

| | tCO2e | tCO2e/tFFB |
|---|----------------|-------------|
| <i>Emissions Sources</i> | | |
| POME | 2903.87 | 0.03 |
| Fuel Consumption | 539.19 | 0.01 |
| Grid Electricity Utilisation | 0.02 | 0 |
| <i>Credits</i> | | |
| Export of Grid Electricity to Housing & Grid | -0.02 | 0 |
| Sales of PKS | 0 | 0 |
| Sales of EFB | 0 | 0 |
| Total | 3443.07 | 0.04 |

Palm Oil Mill Effluent (POME) Treatment

| | |
|-------------------------------|-------|
| Divert to compost | 0 % |
| Divert to anaerobic digestion | 100 % |

POME Diverted to Anaerobic Digestion:

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

Status: Comply

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

6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

6.1.1 Major; 6.1.2 Major; 6.1.3 Major ; 6.1.4 Minor & 6.1.5 Minor

The Company are able to demonstrate that social impact analysis in the form of RKL-RPL (Environmental Management Plan and Environmental Monitoring Plan) Assessment and Social Impact Assessment have been conducted on April 2013 with scope area 13.565 ha (include KKPA). SIA is done by involving the affected parties including smallholders (KKPA). There is evidence of photographs and the absence of the assessment activities. For example, there is a list of 69 participants. Assessment of SIA is done by using literature study technique, interview, and focus group discussion (FGD).

The company has plan (action plan) to mitigate negative impact and increase positive impact which caused by company's operational on surrounding villages including smallholders . The plans are contained in the document of the social impact assessment (SIA) management and monitoring plan for the period of July 2016 - June 2019. The plan explained about the significant impacts (positive and negative), action plans, responsibilities and targets.

The Company also has a SIA Report and Review of the action plan for July 2016 - June 2017 of PT GPL. Based on the report, it is concluded that the SIA Management Plan has been implemented as a whole. The report also contained the realization of the SIA management and monitoring program realized during 2016-2017 and an annex of recording consultations with surrounding villages.

During direct interview with local villagers (Mapur village, Gunung Pelawan village, Gunung Muda village and Pejam sub-village), there is no critical issues was raised. The villagers are very satisfied with the company due to smallholder's development partnership and protect the sacred place that identified as HCV within the plantation area.

Status: Comply

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.

6.2.1; 6.2.2; 6.2.3

The company has SOP communication and consultation No. GPL/SOP/general-20 Revised 02 dated 27 April 2015. The SOP describes communication and consultation procedures with various parties, such as:

- a) Company with communities/stakeholders
- b) Company with government
- c) Company with NGOs/community organizations
- d) Company with contradictive parties
- e) Company with women

SOP has been socialized on 09 December 2016 which has been attended by villagers of Pelawan Village, polsek belinyu, community leaders, religious leaders, administrators of farmers cooperative Ikhtiar Sejahtera. In addition, the company has socialized this SOP to other relevant stakeholders.

PIC to responsible in communication with stakeholder was manager. This was mentioned in job profile of estate manager specify in social community relations.

The stakeholder identified from stakeholder list company had are Sub-District (2), Village (4), Sub-Village (12), Security (2), Health Facility (6), Government Agencies (4), NGOs (1), Education (6) Supplier (31), Contractor (7), Cooperative Management (32). The Company has conducted socialization related to communication procedures, mechanisms to be performed by stakeholders and to which personnel to contact. For example, there has been a recording of socialization on 09 December 2016 to the Environment Agency, Village Communities and Community Leaders (recorded in the logbook for information requests).

Status: Comply

| | |
|--|--|
| <p>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.</p> | |
| <p>6.3.1 ; 6.3.2 The Company has internal and external SOP complaints authorized by President Director with No. GPL/SOP/General-05 Revision 00 dated 07 August 2012. The purpose of SOP is to solve any complaints both internally and externally with good and fast and to create a safe and prosperous atmosphere within the company and surrounding communities. The SOP describes objectives, responsibilities, procedures, documentation and exceptions. The settlement period of the complaint is 2 weeks for each section. Protection against whistleblowers contained in communication and consultation procedures no. GPL / SOP / General-20 revision document dated August 27, 2015, point 4.9 which states that for the complainant or the person communicating or consultation is guaranteed the anonymity of the complainant, be kept confidential and legally protected without intimidation and intimidation. Company documenting complaints in Logbook of internal and external complaint no. SHE / 5.1 / 4 containing the date, name, address, institution, complaint, signature, name that responds, responses, results of improvements and signatures. Examples of complaints: 1. Bpk Nizar dated June 21, 2017 related to garbage dump for incomplete and not a lot of garbage disposal. A follow-up has been taken by the company on June 29, 2017 2. Bpk Francis N.H dated July 27, 2017 linked to ditch security post damaged. Was acted on August 1, 2017 by repairing the post security ditch Based on interviews with plantation workers KKPA and Factory it is known that workers have never conducted or reported complaints directly through the established whistleblower system. Worker complaints are only mild and prefer via an internal grievance line through a direct complaint mechanism through a note-taker in the complaint book. based on interviews with management representatives, it is known that until now there has been no worker reporting through whistleblower mechanisms.</p> | |
| <p>Status: Comply</p> | |
| <p>6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> | |
| <p>6.4.1 Major & 6.4.2 Minor The procedure of "SOP Pembebasan Lahan (GPL/SOP/Umum-27, dated 2 Maret 2016)" described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. The procedure also contains the FPIC mechanism describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc. It was communicated to related parties such as community leaders, and religious figures and youth leaders. The Evidence of Procedure Awareness was documented.</p> | |
| <p>6.4.3 Major Implementation of land compensation is done directly to the land owner. This is shown in the land acquisition document and from the results of interviews with the surrounding community (Gunung Pelawan Village, Gunung Muda Village and Mapur Village).</p> | |
| <p>Status: Comply</p> | |
| <p>6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p> | |
| <p>6.5.1 Major Types of work regulations that exist in the company include Company Regulations and Work Agreement Letter. The Company shows wage documentation for each employee, for example:</p> | |

TGE

- Pay slip document July 2017, employee ID : G01932, KTP No. 1803180708880001, Division TG1.
- Income : Fix monthly rate Rp. 2.434.487 ; Overtime pay (type 1) (1 hours) Rp. 21.988 ; Incentive FFB Rp. 4.125.
- Company Contribution : Health insurance Rp. 101.437 ; Jamsostek Rp. 165.850
- Deduction Health insurance Rp. 25.359 ; employee debt Rp. 28.502 ; worker union contribution Rp. 3.000 ; cooperative worker contribution Rp. 10.000 ; Jamsostek Rp. 76.078
- Total Income : Rp. 2.460.000
- Total Deduction : Rp. 142.939
- Net Pay : Rp. 2.317.661
- Normal Work : 19
- Sick Leave : 3
- Rest Day : 3
- Absent :1
- Annual leave : 5

The Company has set a minimum wage based on the Decree of the Governor of Kepulauan Bangka Belitung No. 188.44/1106/TK.T/2016 on Provision of Minimum Wage Province of Kepulauan Bangka Belitung in 2017 amounting to Rp. 2,534,673.75, - /month, which is set on 25 October 2016 and valid from 01 January 2017. In addition, the company also shows the Decree of the Director, among others:

- No. 001/SK.UPAH/GPL-HR//2017, dated 13 January 2017 about the Daily Growth Wage (BHL) of PT GPL 2017 in Kepulauan Bangka Belitung which decided the wage of BHL to Rp. 101,387, - /day and workers are paid on an effective working day and valid from 01 January 2017.
- No. 002/SK.UPAH/GPL-HR//2017, dated 13 January 2017 on Daily Employee Wage (SKU-H) of PT GPL Daily Worker (BHL) of 2017 in Kepulauan Bangka Belitung which decides:

| Working Period | Wage |
|----------------|--------------------------------------|
| 0 – 2 years | Rp. 2.534.674,- |
| >2 – 7 years | Rp. 2.534.674,- + Rp. 1.250,- /month |
| >7 – 12 years | Rp. 2.534.674,- + Rp. 2.000,- /month |
| >12 years | Rp. 2.534.674,- + Rp. 3.000,- /month |

No. 003/SK.UPAH/GPL-HR//2017, dated 13 January 2017 regarding Monthly Employee Wage and Contract of PT GPL 2017 in Kepulauan Bangka Belitung which decides to apply wage scale in accordance with positions/classes set previously in the letter circular HRD B23-002-00 ie each grade and level increased Rp. 193.174, -.

Auditor has also checked with sample workers that interviewed and synchronized with supporting document. It was confirmed there is no violation related working hour, workers condition and wages. The result is appropriate with the requirements and/or applicable regulation.

Based on interviews with stakeholders (district labor service) it is known that PT GPL sets a minimum wage based on the Decree of the Governor of Bangka Belitung Islands regarding UMR. In addition, this form of wage submission is also already contained in company regulations that have been endorsed by the agency.

During interviews with harvester and kernet (loose fruit workers), Upkeep workers in KKPA (div 1 and 2) and factory workers (grading and pressing stations) informed that workers have earned monthly wages above the prescribed minimum wage.

6.5.2 Major

Companies have work agreement with worker and can show some examples of work agreements that have been signed by workers and company representatives. In the employment agreement there are several articles that explain in detail about the working period, working hours, wages, leave, facilities provided by the company, warning letters, reasons for termination etc. Based on interviews with technical agencies (Labor Agency) District, it is known that there has been an industrial relations case between the company and one of the workers related to the layoffs. However, the company shows

evidence of progress on completion and at the end of the process it is known that the reporting party and the company have made peace and accepted the decision together.

The company also shows an example of work agreement letter, for example in Tengkalat Estate dated May 1, 2017 name of worker Geni Prima Meri with validity period of agreement starting from May 1, 2017 to October 31, 2017.

Based on the work agreement letter it is known that the work agreement letter has shown duties and responsibilities, working time, honoraria, facilities and employees' rights and obligations.

6.5.3 Minor

The company has provided decent housing and other basic needs. Examples of facilities and infrastructure provided are employee homes, mosque, daycare, futsal field, church, clinic, and cafeteria shop. The company also provides adequate water and electricity facilities for its employees, providing shuttle facilities for school children to the village from elementary to junior high school level.

6.5.4 Minor

The company has an effort to help workers obtain sufficient and affordable food sources in the presence of basic food cooperatives, employees are allowed to sell basic foods in the employee housing environment, bazaar activity is after pay day, and outside sellers are given access to sell in plantation environments.

Based on interviews with workers living in housing it is known that the company has provided adequate facilities and infrastructure. In addition, for meet the daily needs of available cooperative employees as a place to buy goods. The location of the company itself is not far from the village market that can be reached by vehicles.

Status: Comply

6.6

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

6.6.1; 6.6.2

The Company has a union/association worker policy contained in the Union/Association Policy authorized by the President Director in 02 January 2011 stating that the company provides an opportunity for all workers who form free, open, independent, democratic, responsible Worker Union and registered with the Labor Agency. The Company gives the freedom for every worker to become a worker union member without any coercion from any party. The Company show evidence of Worker Union Gunung Pelawan Lestari Mandiri (called as SPGPLM) registered in Labor Agency with No. 002/SP/SB/sosnaker/2013 in 03 July 2013.

Based on interviews with worker union representatives, it is known that worker union have been formed from 2013, and have been registered for the period of 2013-2019. However, in the middle of the management, the chairman of the worker union resigns from the company. Then with that in 2017 formed a new management and informed to relevant agencies. Member meetings and management have also been conducted periodically.

Documents on the establishment and recording of the Union worker (meeting:

- Meeting on July 15, 2017 was attended by 13 participants discussing the structure management of the union worker, Progress certification members, and Member deductions.
- Meeting of SPGPLM board establishment on 20 March 2013 was attended by 41 participants
- Record of Union worker Registration Pelawan Lestari Mandiri (SPGPLM) no. 002 / SP / SB / sosnaker / 2013 dated July 3, 2013.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The Company has a policy regarding the age requirements of workers contained in Memorandum No. 007/SM GPL/II/2017 in 01 February 2017. Based on the memo points 2 and 3 mentioned that:

- In accordance with Law No. 13/2003 (employee law) that the company is prohibited from employing children under 18 years of age.
- Any recruitment of new employees who will work in PT GPL is not allowed for less than 18 years and proven by identity card.

Based on interviews with stakeholders (Labor Agencies, Local Contractors, Agriculture and Plantation Agencies, Worker Union and Gender Committee) and workers (harvester, upkeep and kernet) also document of worker list updated August 2017 it is known that there are no underage workers working in the company.

Status: Comply

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.

6.8.1; 6.8.2; 6.8.3

The Company has a policy on non-discrimination contained in the Equality Policy adopted on 10 February 2015 and authorized by the President Director. The contents of the policy is:

1. The Company provides equal opportunity for every worker to get a job and earn a decent income, and get career development opportunities regardless of all forms of discrimination, race, caste, nationality, ethnicity, religion, disability, gender, sexual orientation, union membership, political affiliation and age.
2. The company places each workforce according to the skills, abilities, work experience and business needs as well as the company's operations
3. The Company does not use labor that is illegally trafficked or forced in any form.

In addition, the company has a gender equality policy adopted by the President Director in 02 January 2011 mentioned that the company provides equal employment opportunities according to expertise, skills, experience and company needs regardless of gender. Based on document verification is known that labor comes from various tribes, for example Palembang, Java, Malay, Sasak, Sunda, Makasar, flores, batak etc.

Based on interviews with internal stakeholders and external stakeholders it is known that there are no issues related to discrimination. The non-discriminatory policy has also been recognized by some of the workers interviewed. The Company makes no distinction between the race, religion, gender for personnel who have worked in the company or in the recruitment process. in addition, Based on interviews with technical agencies and harvest workers and manual maintenance, it is known that so far the company does not discriminate in the recruitment of new employees

Status: Comply

6.9

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

6.9.1 Major; 6.9.2 Major; 6.9.3 Minor

Policy regarding sexual harassment is listed in Sexual Harassment Policy approved by the President Director dated January 2, 2011. The Company has established a Gender Committee in each management unit for oversee and fostering the woman workers and worker's wife. The policy has socialized to the workers, for example record of socialization related to gender committee on May 10 2017 by 71 participants. Based on interviews with woman workers, The workers have known board of the Gender Committee.

Policy related to reproductive rights for woman workers is listed in the Reproduction Policy authorized by the President Director, dated September 2, 2013. Based on interviews with a Gender Committee and women workers that workers can explain the reproductive rights that given by the company for example day off for childbirth are given for period 1.5 months before giving birth and 1.5 months after giving birth. They also given the opportunity to breastfeed and not work in contact with chemicals.

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

Status: Comply

6.10

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

6.10.1; 6.10.2

Current and past prices paid for Fresh Fruit Bunches are demonstrated by the company, i.e: FFB prices on August and September 2017. Mechanism of FFB pricing is determined by Finance Department Jakarta with considering of FFB quality entering the mill, FFB Price issued by government and CPO & PK global price prior to socialized to outsiders or smallholder's.

6.10.3

Tengkalat POM receiving FFB's from owned managed estates (Inti and KKPA) and external suppliers. List of external FFB's suppliers who entering FFBS's to the mill are presented below:

| No | Nama | Alamat |
|----|--------------------------|---|
| 1 | CV. Bangun Era Sejahtera | Jl. Muhidin No. 28 Sungailiat |
| 2 | CV. Tandan Pratama | Jl. Koba Dalam Desa Dul, Kampung Dul, Pangkalan Baru, Bangka Tengah |
| 3 | CV. Prima Sawit | Jl. Sudirman Gabek Pangkalan Baru, Bangka Tengah |
| 4 | CV. Putra Mandiri | Lingkungan Parit I Kuday, Sungailiat, Bangka |
| 5 | CV. Dua Serangkai | Jl. Imam Bonjol Gang Plesur, Muntor, Bangka Barat |
| 6 | CV. Multi Nusa Pratama | Jl. Bahari Kuto Panji, Belinyu, Bangka |
| 7 | CV. Agung Bangka Lestari | Jl. Naga Gang Kelinci 3 No. 110B, Kudai Sungailiat, Bangka |
| 8 | CV. Naiza Mulia | Gang Harapan Desa Gunung Muda, Jl. Raya Belinyu, Bangka |
| 9 | Suhendra | Lingkungan Sinar Jaya Kec. Sinar Jaya Sungailiat, Kab. Bangka |

For the external FFB's suppliers, Tengkalat POM made contractual agreements with fair, legal and transparent. Sample of FFB's sale and purchase agreements that have been verified by the auditors are:

1. Sales & Purchase Agreement of FFB's of Palm "Perjanjian Jual Beli TBS" No. GPL/HO/16/IX/2016-Jual Beli TBS, between PT. GPL and CV. Putra Mandiri dated 14 September 2016. Validity period is 1 year (upto 13 September 2017).
2. Sales & Purchase Agreement of FFB's of Palm "Perjanjian Jual Beli TBS No. GPL/HO/10/VII/2017-Jual Beli TBS, between PT. GPL and CV. Multi Nusa Pratama dated 29 July 2017. Validity period is 1 year (upto 28 July 2018).

6.10.4

Evidence of agreed payment in timely manner, will be verify during Stage-2 (Main Assessment).

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The Company has conducted consultation activities with local communities around the plantation through stakeholder consultation activities conducted on 09 December 2016 to several villages such as Pelawan Village, and Mapur Village. The results of the consultations are contained in the RSPO consultation action plan document. The results of the consultation include:

- a. Employment

- b. Providing CSR help to be upgraded again and do not same every year
- c. Increased welfare for the community
- d. Electrical assistance to communities living within the borders of the company's territory.
- e. Provision of assistance for home surgery, rice field printing, cattle farming and the availability of clean water.

Based on the CSR work program in 2017 it is known that there are corporate programs to open employment opportunities in 2017. According to the data provided by the company, there are examples of job posting on 03 March 2017 at security posts, mill offices and the office of Village Mapur Head.

6.11.2

PT. Gunung Pelawan Lestari has partnership with scheme smallholder's where operational management is full managed. Smallholder's scheme full managed estates are Gunung Pelawan KKPA; Tengkalat KKPA; Cemara KKPA and Gelam KKPA.

Based on interviews with relevant stakeholders (Agriculture and Plantation Agencies and Village Chief) and from interviews with management, it is known that the company implements a full-scale KKPA scheme for smallholders, where for operational techniques ranging from cultivation, maintenance to harvest following prevailing regulations in the core plantation.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1

The Company's policy on forced labor or labor trade is indicated in the Opportunity Equity Policy approved by the President Director on 10 February 2015, which mentions "... companies do not use labor that is illegally traded or forced in any form".

Based on interviews with the management unit, each permanent worker will be given a letter of work agreement that has been formally signed by both parties. There are no foreign workers in the estates operations. Also, there are no children or family workers involved in their activities. Workers also known that are forbidden by the company and regulations.

6.12.2 and 6.12.3

Based on the review of work agreement document, there is no substitution of contract. In addition there are no foreign workers in the company's operations, and there is a letter of employment agreement for each worker who has been formally signed by both parties.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1 Major

The Company has a policy to respect human rights within the Corporate Social Responsibility policy adopted on 27 April 2015 by the President Director. The policy explains respect for human rights and respects race, nation, culture, religion and without forced labor, ensures that all employees receive a fair remuneration, fair management and have the opportunity to develop a career. The policy has been socialized to workers, through socialization directly to workers. Example is the realization of the socialization of the policy to the employees of Division I KKPA, Division II core palntation, GPE Estate Office on 20 July 2017.

Based on interviews with management, there were no cases of human rights violations until audit activities were carried out.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

7.1.1 Major; 7.1.2 Minor; 7.1.3 Minor

The company has Environment Impact Assessment (Amdal) document with scope area 17.000 ha and Mill capacity of 60 t/hour. There was decree Letter no. 188.44/195.A/BAPEDALDA/2008 on the assign of Environmental Worthiness dated on March 28, 2008. Then, the company conducted addendum Amdal related to the change of location permit which previously was 17,000 ha then changed to 13,565 ha with mill capacity of 60 t/hour and and there is a change of activity plan for waste water management system, approved by related agency on January 27, 2014. Environmental Permit no. no. 188.45/154.2/LH/2014. Meanwhile, social impact analysis in the form of RKL-RPL (Environmental Management Plan and Environmental Monitoring Plan) Assessment and Social Impact Assessment have been conducted on April 2013 with scope area 13.565 ha (include KKPA). SIA is done by involving the affected parties including smallholders (KKPA). There was evidence of photographs and the absence of the assessment activities. For example, there is a list of 69 participants. Assessment of SIA is done by using literature study technique, interview, and focus group discussion (FGD). Both EIA (Amdal) and SIA conducted based on Location Permit with scope area 13.565 ha (KKPA is under 1 location permit with PT GPL). KKPA is fully managed by the company (PT GPL).

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

The company has plan to mitigate social negative impact and increase positive impact which caused by company's operational on surrounding villages including smallholders . The plans are contained in the document of the social impact assessment (SIA) management and monitoring plan for the period of July 2016 - June 2019. The plan explained about the significant impacts (positive and negative), action plans, responsibilities and targets. Management and monitoring plan related to environment aspect and action plan related to social aspect have been implemented by company.

Status: Comply

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.

7.2.1 & 7.2.2

The certification unit has a map of conformity / survey shown in Semi Detailed Soil Survey Report Evans Indonesia document from 12 to 23 August 2009 by PT Earthline covering PT GPL 9,721.6 ha with adequate scale. The document describes and presents the document of land suitability maps of both physical condition (topography and slope) and soil type. The data presented based on the data taken in the field and the results of laboratory analysis.

Based on the result of Semi Detailed Soil Survey 12-23 August 2009 by Earth Line Consultant, it is known that land profile of PT. GPL is dominated by flat areas, it is proven also based on the results of field visits.

Status: Comply

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.

Land preparation for PT. GPL started 2005, where year of planting are 2006 – 2017. PT. GPL has conducting New Planting Procedure (NPP) on 13-17 December 2013 and has been submitted to the RSPO website on 3 January 2014. There are no comments from stakeholders for its NPP notification.

Disclosure of Liability for MP Evans Group PLC (and its subsidiaries) has been submitted to the RSPO on 23 July 2014

and RSPO stated **have no non-compliant land clearance**. All subsidiaries of MP Evans Group PLC are:

1. PT Pangkatan Indonesia (North Sumatera)
2. PT Bilah Plantindo (North Sumatera)
3. PT Sembada Sennah Maju (North Sumatera)
4. PT Simpang Kiri Plantation Indonesia (Aceh)
5. **PT Gunung Pelawan Lestari (Bangka)**
6. PT Prima Mitrajaya Mandiri (East Kalimantan)
7. PT Teguh Jayaprima Abadi (East Kalimantan)
8. PT Evans Lestari (South Sumatera)

According to these, MP Evans Group PLC and its subsidiaries does not necessary to made Land Use Change Analysis.

Status: Comply

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

7.4.1

The certification unit has maps that infiltrate the potential of fragile soils derived from the semi-detailed soil survey results of 2009 conducted by PT Earthline with a scale of 1: 80,000 and a land suitability map of PT GPL with scale of 1: 80,000. Based on the map study it can be concluded that there are areas with 20 - 25 slopes of 5.02 ha. The report shows that there are also peatlands (Haplohemists and Haplosaprists) covering 9.15 % or 889.63 ha.

7.4.2

The certification unit does planting on fragile soils, for example in sandy areas and peat areas. Planting in the sand area is done by providing additional compost. In these areas, the certification unit carries out embedded areas for example by planting *Mucuna bracteata* done at Gunung Pelawan Estate on new planting areas in 2016 and 2017 blocks E32-31. In the peatlands water management by monitoring the level of surface water at altitude 0.45-0.60 m using a water level stick, measuring groundwater levels using a piezometer and creating a permanent dam or using a sack.

Status: Comply

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

7.5.1 Major

In the previous corporate governance area there is community land that has been compensated and the community has given their consent. Agreements are shown in the indemnification documents that are directly conducted with the parties without representation. Based on the results of interviews with the surrounding community (Gunung Pelawan Village, Gunung Muda Village and Mapur Village) it is known that the compensation process has been done directly with the landowner without any coercion from any party.

Status: Comply

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.

7.6.1 Major, 7.6.2 Major, 7.6.3 Major, 7.6.4 Minor 7.6.5 Minor & 7.6.6 Minor

The Company has procedures to identify and assess the legal, customary and customary rights of the local community. This is described in the Land Acquisition Procedure no. Document GPL / SOP / General-27 dated 2 March 2016. In the procedure there is also a system for identifying communities and/or community groups entitled to compensation and systems for calculating and distributing appropriate compensation. The process of identification and assessment of legal rights has been documented and involves the parties affected.

The negotiation process with the land owners has been made directly and the owner are agrees to grant the land to the company with compensation. The process and outcome of each grant of compensation is documented and signed by both parties. Communities also get benefit from the company's presence in partnership of plasma plantation cooperation that managed by the company.

Based on the results of interviews with the surrounding community (Gunung Pelawan Village, Gunung Muda and Desa Mapur) it is known that the land acquisition process is done by involving the affected parties in identifying the land owner. The landowners are free to decide whether or not to dispose of their land, then The pricing and payment process is determined based on the negotiation between the company and the landowner without going through an intermediary. The community also acknowledges the benefits of plasma plantation cooperation that managed by the company.

Status: Comply

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1 Major & 7.7.2 Minor

The Company has issued Guideline Oil Palm Cultivation MP Evans Indonesia, where technically open land without burning is in Chapter II clearings, Section 2 zero burning and SOP Management and Monitoring HCV no. GPL/SOP/Ummum-07 dated 20 January 2017 revision 01 point 4.1.10 which states that land clearing for new planting is done without burning.

There is no land clearing by burning. Verification results of land clearing records for planting activities, field visits in immature areas and housing complex, no indication of fire use for planting activities or waste management. In addition, based on interview with agencies such as environmental agency, plantation agency and surrounding villages known that there were no issues related to land fires.

Status: Comply

7.8

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

The certification unit was conducting NPP in December 2013. At that time, there is no requirement for GHG emission assessment for NPP. To estimate of GHG emission, Tengkalat Mill has calculate the emission since 2016 as per assessment year. Result of GHG emission can be refer to Criteria 5.6 above.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

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.

Environmental aspect :

The most significant improvement is Biogas Plant installation and composting plant by Tengkalat POM. The Biogas Plant developed is aim to reduce GHG emission and produce renewable energy, and it has been implemented in a way to sell the energy to National Power Company (PLN).

The Company has undertaken sustainable activities in the social field as follows:

1. Conduct employee recruitment with priority of local community
2. Provide assistance for cultural events periodically and continuously.

The certification unit shows the Sustainability & Certification Department Visit Report, 14 - 17 February 2017 at PT Gunung Pelawan Lestari Region Bangka (Gunung Pelawan Estate, Tengkalat Estate, Gelam Estate, Cemara Estate and Tengkalat Mill).

The certification unit presented the Meeting Report Document related to Discussion of Sustainability & Certification Audit Finding, dated February 18, 2017 at the Meeting Room attended by 13 staffs. Some of the things discussed among others determine the responsible person and target for the completion of the findings.

The certification unit shows the corrected documents of findings, including:

- Gunung Pelawan Estate in the form of photographs before and after repair, for example related to the findings of temporary storage of hazardous and toxic wastes needs to be made oil trap, there is no hole of organic waste and an organic (not separated) and fire extinguisher box is not complete the contents.
- Tengkalat Estate in the form of photographs before and after repaired, for example the findings of employees of building contractors working not wearing safety helmets, there is a damaged concrete ditch (workshop), there is used oil spills in the temporary storage toxic waste materials.

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|-----------------------|
| Status: Comply |
|-----------------------|

3.2 Summary of Assessment Report of Supply Chain Requirements

| Clause | (Module E) CPO Mills - Mass Balance Requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|------|-------------|---|-----------------------------|----------------|---|------------------------|----------------|---|--------------------|----------------|---|---------------------|----------------|---|----------------------------|-----------------|---|------------------------|-----------------|---|------------------------|-----------------|---|--------------------------------|-----------------|----|------|--------|---|--------------------------|-------------------------------|---|--------------------|---|---|-----------------|--|---|-------------------|--|---|-------------------|---|---|------------------------|--|---|--------------------------|--|---|-----------------|---|---|----------|---|----|-------------|---------------------------|----|-------------|---------------------------|----|-------------|---------------------------|----|-------------|---------------------------|----|-------------------------|---------------------------|----|-------------------------|---------------------------|----|-------------------------|---------------------------|----|-------------------------|---------------------------|
| E.1 | Definition | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Tengkalat POM applied Supply Chain Model Mass Balance due to FFB's entering the Mill is from Certified and Non-Certified sources. Because the Mill still receiving FFB's from outsider crops. Tengkalat POM has list of FFB's supplier as below: INTERNAL (determine as Certified FFB's)</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gunung Pelawan Estate (GPE)</td> <td>Inti (Nucleus)</td> </tr> <tr> <td>2</td> <td>Tengkalat Estate (TGE)</td> <td>Inti (Nucleus)</td> </tr> <tr> <td>3</td> <td>Gelam Estate (GME)</td> <td>Inti (Nucleus)</td> </tr> <tr> <td>4</td> <td>Cemara Estate (CME)</td> <td>Inti (Nucleus)</td> </tr> <tr> <td>5</td> <td>Koperasi Ikhtiar Sejahtera</td> <td>GPE Smallholder</td> </tr> <tr> <td>6</td> <td>Koperasi Mapur Mandiri</td> <td>TGE Smallholder</td> </tr> <tr> <td>7</td> <td>Koperasi Silip Lestari</td> <td>GME Smallholder</td> </tr> <tr> <td>8</td> <td>Koperasi Gunung Muda Sejahtera</td> <td>CME Smallholder</td> </tr> </tbody> </table> <p>Eksternal (Non-Certified FFB's)</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name</th> <th>Adress</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CV. Bangun Era Sejahtera</td> <td>Jl. Muhidin No. 28 Sungailiat</td> </tr> <tr> <td>2</td> <td>CV. Tandan Pratama</td> <td>Jl. Koba Dalam Desa Dul, Kampung Dul, Pangkalan Baru, Bangka Tengah</td> </tr> <tr> <td>3</td> <td>CV. Prima Sawit</td> <td>Jl. Sudirman Gabek Pangkalan Baru, Bangka Tengah</td> </tr> <tr> <td>4</td> <td>CV. Putra Mandiri</td> <td>Lingkungan Parit I Kuday, Sungailiat, Bangka</td> </tr> <tr> <td>5</td> <td>CV. Dua Serangkai</td> <td>Jl. Imam Bonjol Gang Plesur, Muntor, Bangka Barat</td> </tr> <tr> <td>6</td> <td>CV. Multi Nusa Pratama</td> <td>Jl. Bahari Kuto Panji, Belinyu, Bangka</td> </tr> <tr> <td>7</td> <td>CV. Agung Bangka Lestari</td> <td>Jl. Naga Gang Kelinci 3 No. 110B, Kudai Sungailiat, Bangka</td> </tr> <tr> <td>8</td> <td>CV. Naiza Mulia</td> <td>Gang Harapan Desa Gunung Muda, Jl. Raya Belinyu, Bangka</td> </tr> <tr> <td>9</td> <td>Suhendra</td> <td>Lingkungan Sinar Jaya Kec. Sinar Jaya Sungailiat, Kab. Bangka</td> </tr> <tr> <td>10</td> <td>GPE Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>11</td> <td>TGE Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>12</td> <td>GME Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>13</td> <td>CME Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>14</td> <td>GPE Smallholder Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>15</td> <td>TGE Smallholder Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>16</td> <td>GME Smallholder Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> <tr> <td>17</td> <td>CME Smallholder Non HGU</td> <td>PT Gunung Pelawan Lestari</td> </tr> </tbody> </table> | | No | Name | Description | 1 | Gunung Pelawan Estate (GPE) | Inti (Nucleus) | 2 | Tengkalat Estate (TGE) | Inti (Nucleus) | 3 | Gelam Estate (GME) | Inti (Nucleus) | 4 | Cemara Estate (CME) | Inti (Nucleus) | 5 | Koperasi Ikhtiar Sejahtera | GPE Smallholder | 6 | Koperasi Mapur Mandiri | TGE Smallholder | 7 | Koperasi Silip Lestari | GME Smallholder | 8 | Koperasi Gunung Muda Sejahtera | CME Smallholder | No | Name | Adress | 1 | CV. Bangun Era Sejahtera | Jl. Muhidin No. 28 Sungailiat | 2 | CV. Tandan Pratama | Jl. Koba Dalam Desa Dul, Kampung Dul, Pangkalan Baru, Bangka Tengah | 3 | CV. Prima Sawit | Jl. Sudirman Gabek Pangkalan Baru, Bangka Tengah | 4 | CV. Putra Mandiri | Lingkungan Parit I Kuday, Sungailiat, Bangka | 5 | CV. Dua Serangkai | Jl. Imam Bonjol Gang Plesur, Muntor, Bangka Barat | 6 | CV. Multi Nusa Pratama | Jl. Bahari Kuto Panji, Belinyu, Bangka | 7 | CV. Agung Bangka Lestari | Jl. Naga Gang Kelinci 3 No. 110B, Kudai Sungailiat, Bangka | 8 | CV. Naiza Mulia | Gang Harapan Desa Gunung Muda, Jl. Raya Belinyu, Bangka | 9 | Suhendra | Lingkungan Sinar Jaya Kec. Sinar Jaya Sungailiat, Kab. Bangka | 10 | GPE Non HGU | PT Gunung Pelawan Lestari | 11 | TGE Non HGU | PT Gunung Pelawan Lestari | 12 | GME Non HGU | PT Gunung Pelawan Lestari | 13 | CME Non HGU | PT Gunung Pelawan Lestari | 14 | GPE Smallholder Non HGU | PT Gunung Pelawan Lestari | 15 | TGE Smallholder Non HGU | PT Gunung Pelawan Lestari | 16 | GME Smallholder Non HGU | PT Gunung Pelawan Lestari | 17 | CME Smallholder Non HGU | PT Gunung Pelawan Lestari |
| No | Name | Description | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Gunung Pelawan Estate (GPE) | Inti (Nucleus) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Tengkalat Estate (TGE) | Inti (Nucleus) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Gelam Estate (GME) | Inti (Nucleus) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Cemara Estate (CME) | Inti (Nucleus) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Koperasi Ikhtiar Sejahtera | GPE Smallholder | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Koperasi Mapur Mandiri | TGE Smallholder | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Koperasi Silip Lestari | GME Smallholder | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Koperasi Gunung Muda Sejahtera | CME Smallholder | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No | Name | Adress | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | CV. Bangun Era Sejahtera | Jl. Muhidin No. 28 Sungailiat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | CV. Tandan Pratama | Jl. Koba Dalam Desa Dul, Kampung Dul, Pangkalan Baru, Bangka Tengah | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | CV. Prima Sawit | Jl. Sudirman Gabek Pangkalan Baru, Bangka Tengah | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | CV. Putra Mandiri | Lingkungan Parit I Kuday, Sungailiat, Bangka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | CV. Dua Serangkai | Jl. Imam Bonjol Gang Plesur, Muntor, Bangka Barat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | CV. Multi Nusa Pratama | Jl. Bahari Kuto Panji, Belinyu, Bangka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | CV. Agung Bangka Lestari | Jl. Naga Gang Kelinci 3 No. 110B, Kudai Sungailiat, Bangka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | CV. Naiza Mulia | Gang Harapan Desa Gunung Muda, Jl. Raya Belinyu, Bangka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Suhendra | Lingkungan Sinar Jaya Kec. Sinar Jaya Sungailiat, Kab. Bangka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | GPE Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | TGE Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | GME Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | CME Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | GPE Smallholder Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | TGE Smallholder Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | GME Smallholder Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | CME Smallholder Non HGU | PT Gunung Pelawan Lestari | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Status: COMPLY</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E.2 | Explanation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The estimated tonnage of CPO and PK products that could potentially be produced by Tengkalat POM has been recorded by CB in basic information within the report. This figure represented as follows:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
|--------------|-------------------------|-----------------------------|---------------|----------------|---------------|----------------|
| | | | Out put (ton) | Extraction (%) | Out put (ton) | Extraction (%) |
| Tengkalat | 45 | 86,943 | 19,997 | 23.00 | 4,782 | 5.5 |

Status: COMPLY

E.2.2

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

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

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

| Member Information | | | | | | | |
|-------------------------|---|----------------------------|---|------------|---------------------|-------|----------|
| Member Name | | License Information | | | | | |
| Member Name : | TENGKALAT PALM OIL MILL, PT. GUNUNG PELAWAN LESTARI | Core Product : | Palm Oil | | | | |
| Account UID : | RSPO_AC1000006552 | Member ID : | RSPO_PO1000006652 | | | | |
| Website: | | Member Category : | Oil Mill | | | | |
| GPS Coordinates: | | | | | | | |
| Visiting Address | | Mailing Address | | | | | |
| Street : | Desa Mapur, Kecamatan Riau Silip Kabupaten Bangka Propinsi Kepulauan Bangka | Street : | Desa Mapur, Kecamatan Riau Silip Kabupaten Bangka Propinsi Kepulauan Bangka | | | | |
| City : | JAKARTA | City : | JAKARTA | | | | |
| Postal Code : | 0 | Postal Code : | 0 | | | | |
| State : | | State : | | | | | |
| Country : | INDONESIA | Country : | INDONESIA | | | | |
| Phone Number : | +622152920338 | | | | | | |
| Fax Number : | +622152920339 | | | | | | |
| Contacts | | | | | | | |
| Title | Name | Other Number | Phone Number | Fax Number | E-mail Address | Skype | Language |
| Mr. | ABDUL AZIZ MUHSHI | +622152920338 | +622152920338 | | azizm@mpevans.co.uk | | English |

Status: COMPLY

E.3 Documented procedures

E.3.1

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

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

- a. Tengkalat POM – PT Gunung Pelawan Lestari have some procedures related to supply chain system implementation – Supply Chain:
 - ❖ SOP of RSPO Sustainability Manual Mill No.DSL/Manual RSPO/4.1/9 Revisi-1 dated 1st of December 2014.
 - ❖ Procedure (SOP) of CPO and PK tender (No.GPL/SOP/MD-01 1 January 2013:
 - (4.1.2) Mill delivers Daily report which consists of production data, certified and non-certified CPO and PK transport and stocks
 - (4.1.16) Marketing Department will issue “SALES CONTRACT” signed by Director or Authorized Representative of Director

- (4.1.20) Marketing Department shall publish/inform Miller regarding CPO/PK type/classification being sold whether it is Certified or Non-Certified
 - (4.1.21) Marketing Department prepares “Delivery Order / DO” for CPO and PK transport by miller
 - ❖ Procedure of FFB Receiveing from Outcrops “SOP Penerimaan TBS Luar (No. Dokumen: SOP/TGM/14) Rev. 1, tertanggal 1 Januari 2017”.
- b. Management Function & Job Description, such as:
- Mill Manager. is chairman of Sustainability Management Team (SMT) which overall responsibility is ensuring that RSPO system is executed, implemented and maintained. Being responsible for maintaining all RSPO documentation and information
 - Assistant/Head Assistant/Clerk of Sustainability & Certification.
 - Being responsible for maintaining all RSPO documentation and information
 - Ensuring that all RSPO information which is need for audit
 - Ensuring that all RSPO verification information which is needed have been correctly recorded and being reported for all certified and non certified FFB, CPO, Palm Kernel
 - Weighbridge Operator
 - Examining all consignment records of FBB truckloads which are received from all plantation to installed mill in order to gain all necessary information
 - Inputting information of consignment record that enter mill's weigher through computerized reporting system
 - Assuring if FFB consignment that enter the mill is certified or non certified
 - Inputting all incoming FFB data into daily report
 - Weighbridge officer assures that the covering letter of weighed FFB are marked or stamped indicating if it is certified or non-certified (Sustainable or Non-Sustainable).

According to field observation and direct interview with Weighbridge operator, it was clearly explained that all relevant officer who related within supply chain implementation has had periodical training/refreshment on Supply chain requirements. The latest training was conducted in 15th September 2017 for RSPO and ISCC scheme.

Status: COMPLY

E.3.2

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

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

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

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

Status: COMPLY

E.4 Purchasing and goods in

E.4.1

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

Tengkalat POM have not been certified, therefore document the volume of certified and non-certified FFB's not yet available. But, the Mill has template to separate FFB's sources from Certified and Non-Certified.

Status: COMPLY

E.4.2

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

Tengkalat POM have not been certified, therefore no over production of certified tonnage. If this happen, the certification unit has a procedure that will inform to the CB if there is a projected overproduction of certified tonnage. It's cover within SOP of RSPO Sustainability Manual Mill No.DSL/Manual RSPO/4.1/9 Revisi-1 dated 1st of December 2014.

| | |
|--------------|--|
| | Status: COMPLY |
| E.5 | Record keeping |
| E.5.1 | <p>a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p> |
| | Tengkalat POM have not been certified, but the Mill has template to separate FFB's sources from Certified and Non-Certified including record of MB on 3 monthly basis. |
| | Status: COMPLY |
| E.5.2 | <p>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p> |
| | Tengkalat POM does not installed KCP, the entire of palm kernel produced by the mill are direct selling to the buyer. |
| | Status: COMPLY |

3.3 Conformity Checklist of Certificate and Logo Use

| | | |
|-------------|--|--------------|
| 1. | Evidence of permission or approval certificate and logo from Certification Body which submitted by Client | X or√ |
| ST-2 | Tengkalat POM not yet certified. This requirements will be verify during next assessment | √ |
| | Status: COMPLY | |
| 2. | Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use | X or√ |
| ST-2 | Tengkalat POM not yet certified. This requirements will be verify during next assessment | √ |
| | Status: COMPLY | |
| 3. | Implementation of Certificate and Logo is not used on product | X or√ |
| ST-2 | Tengkalat POM not yet certified. This requirements will be verify during next assessment | √ |
| | Status: COMPLY | |
| 4. | Controlling of Certificate and Logo, including withdrawing inappropriate logo. | X or√ |
| ST-2 | Tengkalat POM not yet certified. This requirements will be verify during next assessment | √ |
| | Status: COMPLY | |

3.4 Summary of RSPO Partial Certification

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

| Un-Certified Units or Holdings | | |
|--------------------------------|---|---|
| Section | Requirement | Concerns to Discuss, if any |
| 2.1.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | Yes and positive assurance is developed under MP Evans Group PLC Auditor verification Based on the document review, there is a company internal audit that was conducted on 20 and 21 February 2017 and the positive assurance is at this table that is also been verified. |
| 2.1.2 | No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <ul style="list-style-type: none"> - PT. Simpang Kiri Plantation Indonesia. RACP is not applied for this unit because the last land clearing was conducted before November 2005. The unit does not have mill. - The unit re-identify HCV and SIA assessment on January 2013 by Aksenta Consultant and has also conducted NPP to PT Gunung Pelawan Lestari on 17 December 2013 by Certification Body of Control Union. - PT. Evans Lestari (PT.EL) has conducted HCV and SIA identification by Forestry Faculty of Institute Pertanian Bogor (IPB) on March 2013 led by Dr. Ir. Jarwadi Budi Hernowo Msc. before land clearing, therefore the unit has no liability related |

| | | |
|-------|---|--|
| | | <p>to RACP. PT Evans Lestari also conducted NPP on 17 December 2013 conducted by Certification Body of Control Union.</p> <p>Auditor verification Based on internal audit results and evidence provided (communication to RSPO on liability disclosure) the three uncertified units of:</p> <p>PT Simpang Kiri Plantation Indonesia: Last land clearing happened before November 2005 and there is no new land clearing of new planting.</p> <p>PT Evans Lestari Land clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing. Liability of disclosure has been sent to RSPO Compensation Team on 23 July 2014.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>New planting/land clearing after 1st January 2010.</p> <p>Auditor verification Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1st January 2010 for PT Gunung Pelawan Lestari and PT Evans Lestari but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p> |
| 2.1.4 | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>There are no land conflicts.</p> <p>Auditor verification Based on evidence provided, the company merely conducted planting on the area that has been compensated from the land owner by FPIC. The documentation of each land compensation/leasing is documented.</p> |
| 2.1.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>There are no labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>Auditor verification There is no indication of labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries and also from stakeholder consultation during 1st surveillance audit of the PT PMM.</p> |
| 2.1.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>Yes, there is process for land legality.</p> <p>Auditor verification Land legal process is still going on and there is a detail update progress documented by the company for</p> |

| | | |
|--|--|--|
| | | <p>each year.</p> <p>Update legal for PT Simpang Kiri Plantation Indonesia: the unit has got clear land deed and no new plantation area expansion.</p> <p>Update legal for PT Gunung Pelawan Lestari: new HGU proposal for company owned estate and KKPS of the company</p> <p>Update legal for PT Evans Lestari: the company has got plantation business permit (IUP) from Bupati Decree of Musi Rawas No. 891/KPTS/Disbun/2012 dated 12 November 2012 for 20,000 ha. It is in accordance with the scale of the company location permit (Decree of Bupati Musi Rawas No. 578/KPTS/BPM=PTP/2012 dated 30 October 2012 for 20,000 ha). However the location permit has been expired – need further HGU process information or any other legal process.</p> |
|--|--|--|

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

3.5.1 Identification of Findings, Corrective Actions and Observations at *Stage-2* Assessment

| | | | |
|---|--|------------------------|-----------------------------|
| NCR No. | : 2017.01 | Issued by | : Leonada |
| Date Issued | : 30 September 2017 | Time Limit | : Before certificate issued |
| NC Grade | : MAJOR | Date of Closing | : 9 October 2017 |
| Standard Ref. & Requirement | : 4.7.3 Records of Safety and Health (OSH) program training and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis results shall be made available to all workers. | | |
| <p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company already have systems in the provision/use of PPE for employees. The system explains the risks of each job PPE should provide, the schedule for replacing the PPE, the replacement of the PPE if it is damaged and the types of PPE for each job. Such systems are documented in:</p> <ul style="list-style-type: none"> - Procedures for the use of PPE No. GPL / SOP / K3-13 documents valid from August 7, 2012. - Monitoring Assessment of OHS Risk Assessment in 2017 both in plantations and factories approved by a general K3 Expert and Manager. - Document "Suitable Personal Protective Equipment". - Memorandum from Senior Manager ref. 006 / SM GPL / II / 2017 dated February 1, 2017. <p>However, based on the results of field observation and documents verification related to PPE, there is non compliance in its application as follows:</p> <ul style="list-style-type: none"> - Visit in GPE block B17 division 1 on fertilization activity. Of the 3 fertilizers interviewed, it is known that 3 such fertilizers use PPE boots purchased by themselves. - Visits in GPE workshops found workers using grinders not using glasses/face shields. - Visits in TGE block H52 division 3 on spraying activities. Of the 6 people sprayers there are 2 people using PPE boots in damaged condition. - Visits in Tengkalat Mill were found by some workers using self-purchased APD shoes, such as in grading station (2 persons from 3 interviewees), 1 loading ramp station operator, 1 foreman processor, 1 station operator, boiler station (1 person of 3 people interviewed). <p>Based on this, the company has not been able to demonstrate the application of the system of supply/use of PPE in accordance with the established system</p> | | | |
| <p>Root Cause Analysis <i>(filled by organization audited):</i> PPE has not been provided company and used by the workers</p> | | | |
| <p>Correction <i>(filled by organization audited):</i> Has been given PPE to workers and company has circular letter related to PPE as monitoring</p> | | | |
| <p>Corrective Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> - Conduct internal audit for PPE - Make a Circular Letter About PPE | | | |
| <p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 9 October 2017 The company shows the minutes of the improvement event:</p> <ul style="list-style-type: none"> - Completeness PPE of workers using grinding wheels at GPE workshop on 26 September 2017 (Face cover helmet, gloves and shoes) as well as training evidence dated 14 February 2017. - Completeness of PPE (shoes) 3 GPE fertilizer workers dated September 26, 2017. - Completeness of PPE (Shoes) 2 TGE spray workers dated September 27, 2017. | | | |

- Completeness of PPE (Shoes) workers at loading ramp station operator, processor foreman, press station operator, boiler station operator dated September 29, 2017.

The Company shows circular letter No. 03 / HOE / IX / 2017 from Head of Engineering dated October 4, 2017, one of which explains the mechanism of providing shoes for employees on probation at the factory.

The company shows the program of PPE in PT. Gunung Pelawan Lestari.

- Sprayers, fertilizers and workshop employees are planned for November 2017.
- Harvesters are planned in December 2017.
- Sterilizer operators, boilers planned for November 2017
- Laboratory Officers, Workshop and Engine Room is planned for December 2017
- Officer grading, clarification planned in February 2018
- The Station Process Operator is planned for March 2018

Based on evidence of improvements indicated by the company and its preventive action plan, then the discrepancy can be declared closed with observation.

Verified by : **Leonada**

3.5.2 Opportunity for Improvement

| No | Ref Std | Descriptions |
|----|---------------|--|
| 1 | C4.6; C5.3 | Implementation of hazardous waste transportation management plan |
| 2 | C4.6; C4.7 | Position MSDS in chemicals and fertilizer warehouse |
| 3 | C4.7 | Evacuation path information in Mill |
| 4 | C4.7 | Monitoring of First Aid box |
| 5 | C6.1 | Consider suggestions from the results of local community consultations |
| 6 | C4.8 | Evaluate the effectiveness of the training |

3.5.3 Noteworthy Positive Components

| No | Descriptions |
|----|---|
| 1 | Utilization of waste water as a source of renewable energy (Biogas Plant) |
| 2 | Composting Installation in solid waste management |
| 3 | Cooperation with surrounding villages in the construction of a plasma scheme (KKPA) |
| 4 | Maintain natural vegetation in the plantation area |

3.6 Summary of Arising Issues from Public and Auditor Verification

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|---|
| <p>Environmental Agency of Bangka District</p> <ul style="list-style-type: none"> ○ The relationship between the company and the agency is quite good and communicative ○ The company has an environmental document (AMDAL) on 2014 ○ The company submits a license for Land Application (LA) activity. This license is in process and the agency has issued an approval letter for the LA utilization assessment. ○ The Company is compliant in providing environmental reports, such as the environment report in July 2017, the utilization of hazardous wastes for the second period of 2017 dated 11 Juli 2017 ○ The company has made a biogas plant and has been known by local environmental agency, and is quite appreciated by the agency. ○ For the composting process does not require changes in environmental permit (revised of AMDAL). ● In general, no environmental issues are caused by company activity. information from the public to the agency was no environmental issue | <p>It has been verified and stated under criteria 4.3,4.4 and principle 5 on The report</p> |
| <p>Labor agency of Bangka District</p> <ul style="list-style-type: none"> ○ Communication is good enough ○ Company regulations will expire on October 12, 2017, and are looking after for the creation of new company regulations ○ There is a company union registered in the service ○ No employment issues, underage workers, gender / sexual equality cases and non-discrimination cases ○ The company has made job vacancy information for the surrounding community, even the job vacancy has been allocated to the relevant offices ● There is an employee cooperative | <p>It has been verified and stated under principle 6 in the report</p> |
| <p>Agriculture and Plantation Agency of Bangka District</p> <ul style="list-style-type: none"> ○ Company performance is good ○ The company has built a partnership pattern with surrounding farmers. It is known that it has been realized about 40-50% of the company's IUP for community kabun ○ Reporting of IUP realization has been submitted every year ○ There is information from young mountain villagers, that the land is taken by the company and has not been compensated. ● In addition to the above issues, no other issues come into the agency. | <p>It has been verify and stated under Principle 1, 2 and 6 in the report.</p> |
| <p>Land Agency of Bangka District</p> <ul style="list-style-type: none"> ○ The company already has HGU certificate ○ Reporting related to land realization, not yet known by the agency ● No issues related to land. | <p>It has been verified and stated under principle 6 in the report</p> |
| <p>LOCAL CONTRACTOR</p> <p>A. CV TIARA MAPUR – FFB transport</p> <ul style="list-style-type: none"> ○ Have been cooperate with companies over 5 years ○ There is a letter of agreement with the company ○ letter of agreement is valid for 1 year and will be renewed if the company still uses the services of the contractor. the company does an assessment of the contractor every year and if the assessment is good then the SPK will be updated. ○ There has been information on costs, rights and obligations, type of work, duration, and others ○ Payments from the company are made on the 25th of each month. ○ Payments are made on time and in accordance with agreed wages / fees. | <p>It has been verified and stated under criteria 6.10 in the report</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <p>B. CV ANUGERAH PERKASA – FFB transport</p> <ul style="list-style-type: none"> ○ Newly cooperated with the company (not more than a year) ○ There is a letter of agreement with the company ○ letter of agreement is valid for 1 year and will be renewed if the company still uses the services of the contractor. the company does an assessment of the contractor every year and if the assessment is good then the SPK will be updated. ○ There has been information on costs, rights and obligations, type of work, duration, and others ○ Payments from the company are made on the 25th of each month. ● Payments are made on time and in accordance with agreed wages / fees. | |
| <p>Labor Union of PT GPL (SPGPLM)</p> <ul style="list-style-type: none"> ○ The company has established policies for workers union ○ The company does not prohibit workers from joining the union ○ Number of members approximately 1,200 people ○ There is a member card ○ Workers' labor has been registered in the district disnaker ○ Management of union worker consist of 5 people and each estates and factory has been appointed. ○ No worker complaints for workers' rights ○ No non-discrimination, underage, and sexual harassment issues ○ Job opportunities are wide open and recruitment follows SOPs ○ There is no working agreement between the company and union worker. In 2018 will be created. ● No fatal workplace accidents. | <p>It has been verified and stated under principle 6 in the report</p> |
| <p>FFB Supplier (CV Multinusa)</p> <ol style="list-style-type: none"> 1. FFB Supplier already has a agreement that is renewed monthly. 2. The source of FFB comes from around the company. Supplier ensure the completeness of the land (legal) before receiving the fruit from the farmers. 3. FFB payment is made every week. 4. The Company once provided socialization related to best management practice. 5. Company and FFB suppliers has good communication. 6. There has never been a conflict issue between the company and the communities. 7. Company has socialized related to company's procedures and policies. | <p>In accordance with criteria 1.3; 6.2; 6.10</p> |
| <p>GENDER COMMITTEE</p> <ul style="list-style-type: none"> ○ Functions to deal with issues related to gender equality ○ The last meeting was to discuss women's issues ● There have never been cases of sexual harassment, discrimination and human rights violations | <p>It has been verified and stated under principle 6 in the report</p> |
| <p>COOPERATIVE WORKER "SAWIT LESTARI"</p> <ul style="list-style-type: none"> ○ The nature of cooperatives is voluntary ○ The company has encouraged the forming of cooperatives ○ Type of cooperative is a stall goods ○ The goods in the cooperative are daily necessities ● The company will build branch cooperatives in each estates | <p>It has been verified and stated under principle 6 in the report</p> |

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

PT Gunung Pelawan Lestari
Head of Operation Agronomy

Mutuagung Lestari
Lead Auditor



GUNASEKARAN UTHIRADAM

Monday, 9 October 2017



YUDWI WISNU RAHMANTO

Monday, 9 October 2017

APPENDICES

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

| No | Institution/NGO/Community | Address | Phone/Email | Form of Communication | Date of Contact | Response | |
|-----|--|--|--|-----------------------|-------------------|----------|----|
| | | | | | | Yes | No |
| 1. | Labor Agency of Bangka district. | District of Bangka | - | Interview | 25 September 2017 | √ | |
| 2. | Agriculture and Plantation Agency of Bangka District | District of Bangka | - | Interview | 25 September 2017 | √ | |
| 3. | Environmental Agency of Bangka District. | District of Bangka | - | Interview | 25 September 2017 | √ | |
| 4. | National Land Agency | District of Bangka | - | Interview | 25 September 2017 | √ | |
| 5. | Gunung Pelawan Village | Gunung Pelawan Village, District of Bangka | - | Interview | 26 September 2017 | √ | |
| 6. | Mapur Village | Mapur Village, District of Bangka | - | Interview | 26 September 2017 | √ | |
| 7. | Gunung Muda Village | Gunung Muda Village, District of Bangka | - | Interview | 27 September 2017 | √ | |
| 8. | Gender Committee | District of Bangka | - | Interview | 26 September 2017 | √ | |
| 9. | Labor Union | District of Bangka | - | Interview | 26 September 2017 | √ | |
| 10. | Workers cooperatives | District of Bangka | - | Interview | 26 September 2017 | √ | |
| 11. | FFB Supplier | District of Bangka | - | Interview | 27 September 2017 | √ | |
| 12. | FFB Transport | District of Bangka | - | Interview | 27 September 2017 | √ | |
| 13. | Sawit Watch | - | info@sawitwatch.or.id | Questioner | 19 September 2017 | - | √ |
| 14. | WWF | - | wwf-indonesia@wwf.or.id | Questioner | 28 August 2017 | - | √ |
| 15. | Walhi | - | informasi@walhi.or.id | Questioner | 28 August 2017 | - | √ |
| 16. | TUK Indonesia | - | office@tuk.or.id | Questioner | 28 August 2017 | - | √ |
| 17. | Green peace Indonesia | - | info.id@greenpeace.org | Questioner | 19 | - | √ |

| | | | | | | | |
|-----|--|---|--|------------------|-------------------|---|---|
| | | | eace.org | | September 2017 | | |
| 18. | AMAN | - | rumahaman@cbn.net.id | Questioner | 19 September 2017 | - | √ |
| 19. | Harvester at Gunung Pelawan Estate; Tengkalat Estate and Ikhtiar Sejahtera Cooperative | | | Direct interview | 26-28 Sep 2017 | √ | - |
| 20. | Pesticide applicator at Gunung Pelawan Estate and Tengkalat Estate | | | Direct interview | 26-28 Sep 2017 | √ | - |
| 21. | Loosefruit picker at Ikhtiar Sejahtera Cooperative | | | Direct interview | 26-28 Sep 2017 | √ | - |

Appendix 2. Assessment Program

| DATE | | 25 – 30 September 2017 | |
|-------------------------------------|-----------------|--|--|
| PLANNED TIME | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 25 September 2017 | | | |
| 10.05 – 11.25 | | JAKARTA → PANGKAL PINANG | • YWR / LEO / RAH / AFN / MFS |
| 11.25 – 14.30 | | PANGKAL PINANG → PT. GUNUNG PELAWAN LESTARI | |
| 16.00 – 17.00 | | Opening meeting <ul style="list-style-type: none"> • Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) | • YWR / LEO / RAH / AFN / MFS |
| Tuesday, 26 September 2017 | | | |
| 08.00 – 12.00 | | Stakeholder consultation to affected communities surrounding the plantations. Public consultation to relevant statutory bodies. Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Estate) Field observation to Gunung Pelawan Estate : <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) • Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) • Implementation of HCV management area and legal boundaries. • Implementation of Occupational Health & Safety Aspect • Implementation of Employment Procedure and Mechanism Aspect • Observation of Workers Facilities (Housing, School, Worship Place). | • LEO • MFS • AFN • RAH • YWR • RAH |
| 12.00 – 14.00 | | BREAK | • YWR / LEO / RAH / AFN / MFS |
| 14.00 – 17.00 | | Confirmation of Field Observation <ul style="list-style-type: none"> • Completing Checklist • Verification of Basic Information Estate • Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any) | • YWR / LEO / RAH / AFN / MFS |
| Wednesday, 27 September 2017 | | | |
| 08.00 – 12.00 | | Stakeholder consultation to affected communities surrounding the plantations. Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Estate) Field observation to Gunung Pelawan KKPA (Full Managed Smallholders) : <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, | • LEO • MFS • AFN |

| DATE | | 25 – 30 September 2017 | |
|------------------------------------|-----------------|---|---|
| PLANNED TIME | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | | Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) <ul style="list-style-type: none"> Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of HCV management area and legal boundaries. Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). | <ul style="list-style-type: none"> RAH YWR RAH |
| 12.00 – 14.00 | | BREAK | <ul style="list-style-type: none"> YWR / LEO / RAH / AFN / MFS |
| 14.00 – 17.00 | | Confirmation of Field Observation <ul style="list-style-type: none"> Completing Checklist Verification of Basic Information Estate Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any) | <ul style="list-style-type: none"> YWR / LEO / RAH / AFN / MFS |
| Thursday, 28 September 2017 | | | |
| 08.00 – 10.00 | | Stakeholder consultation to affected communities surrounding the plantations. Field observation to Tengkalat Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of HCV management area and legal boundaries. Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). | <ul style="list-style-type: none"> LEO AFN / MFS RAH YWR RAH |
| 10.00 – 16.00 | | Preparing for Closing Meeting (auditor team discussion) | <ul style="list-style-type: none"> YWR / LEO / RAH / AFN / MFS |
| 16.00 – 17.00 | | Confirmation of Field Observation <ul style="list-style-type: none"> Completing Checklist Verification of Basic Information Estate Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any) | <ul style="list-style-type: none"> YWR / LEO / RAH / AFN / MFS |
| Friday, 29 September 2017 | | | |
| 08.00 – 10.00 | | Field observation to Tengkalat POM <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste | YWR / LEO / RAH / AFN / MFS |

| DATE | | 25 – 30 September 2017 | |
|------------------------------------|-----------------|--|-------------------------------|
| PLANNED TIME | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | | Storage, Fire Control Facilities, Waste Management) <ul style="list-style-type: none"> • Implementation of HCV management area and legal boundaries. • Implementation of Occupational Health & Safety Aspect • Implementation of Employment Procedure and Mechanism Aspect • Observation of Workers Facilities (Housing, School, Worship Place). | |
| 10.00 – 16.00 | | Preparing for Closing Meeting (auditor team discussion) | • YWR / LEO / RAH / AFN / MFS |
| 16.00 – 17.00 | | Confirmation of Field Observation <ul style="list-style-type: none"> • Completing Checklist • Verification of Basic Information Estate • Confirmation of Time Bound Plan, Partial Certification, RaCP Progress (if any) | • YWR / LEO / RAH / AFN / MFS |
| Saturday, 30 September 2017 | | | |
| 07.00 - 08.00 | | Closing Meeting | • YWR / LEO / RAH / AFN / MFS |
| 08.30 – 10.30 | | Travelling from audit location to Pangkal Pinang. | |
| 12.00 – 13.00 | | PANGKAL PINANG → JAKARTA (return Flight) | |