

***Roundtable on Sustainable Palm Oil Certification  
RSPO***

**[✓] Surveillance**

Name of Management : Inecda Palm Oil Mill – PT Inecda subsidiary of S&G Biofuel PTE. LTD  
 Organisation  
 Plantation Name : PT Inecda – Estate 1 and Estate 2.  
 Location : Petala Bumi Village, Seberida Sub District, Indragiri Hulu District, Riau Province, Indonesia.  
 Certificate Code : **MUTU-RSPO/132**  
 Date of Certificate Issue : 28 May 2019                      Date of License Issue : 28 November 2021  
 Date of Certificate Expiry : 27 May 2024                      Date of License Expiry : 27 May 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1 (Remote Audit)	29 to 30 June 2020	Arif Faisal Simatupang (Lead Auditor), Trismadi Nurbayuto, Mohamad Amarullah and Bayu Yogatama	M. Rinaldi	Octo H. P. N. Nainggolan
ASA-1 & ASA-2 (Onsite Audit)	24 to 28 May 2021	Hasiholan Sihombing (Lead Auditor), Afiffuddin, Yudhi Yuniarto Tallutondok and Rahmat Abdiansyah		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1 & ASA-2 (Onsite Audit)	28 September 2021

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Figure 1. Location Map of PT Inecda

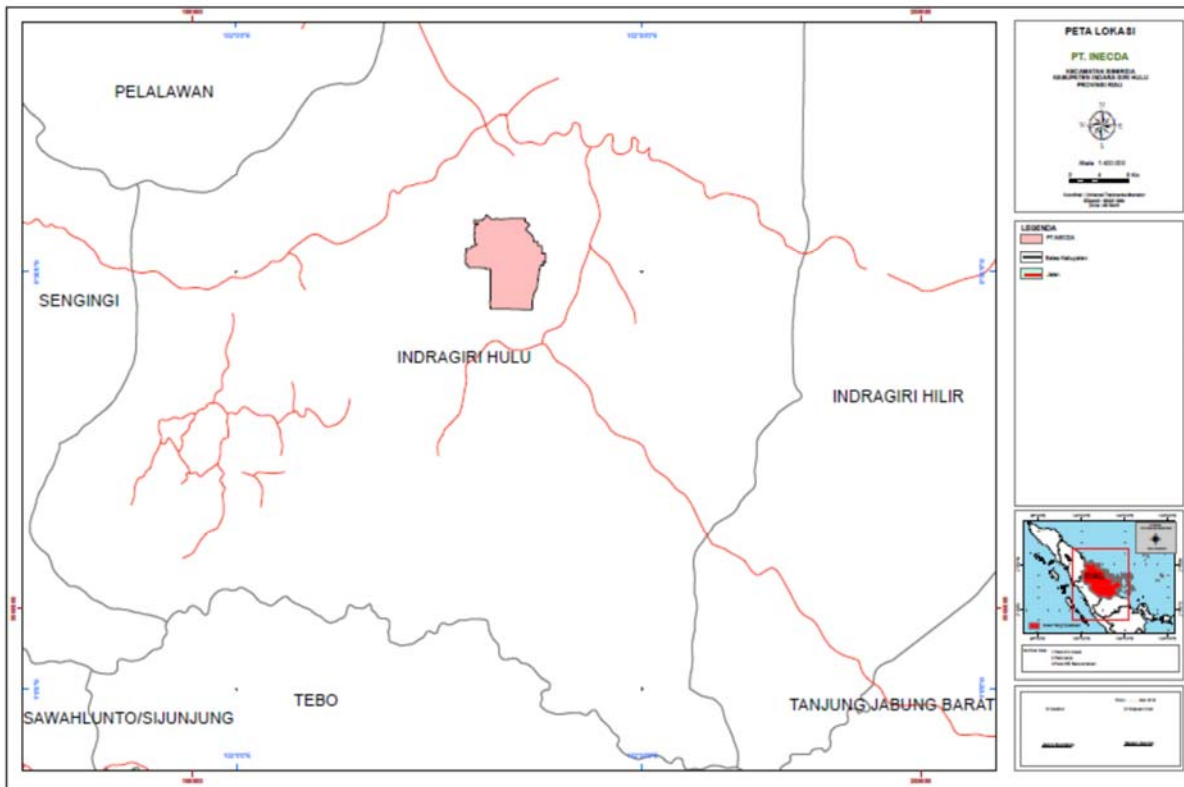
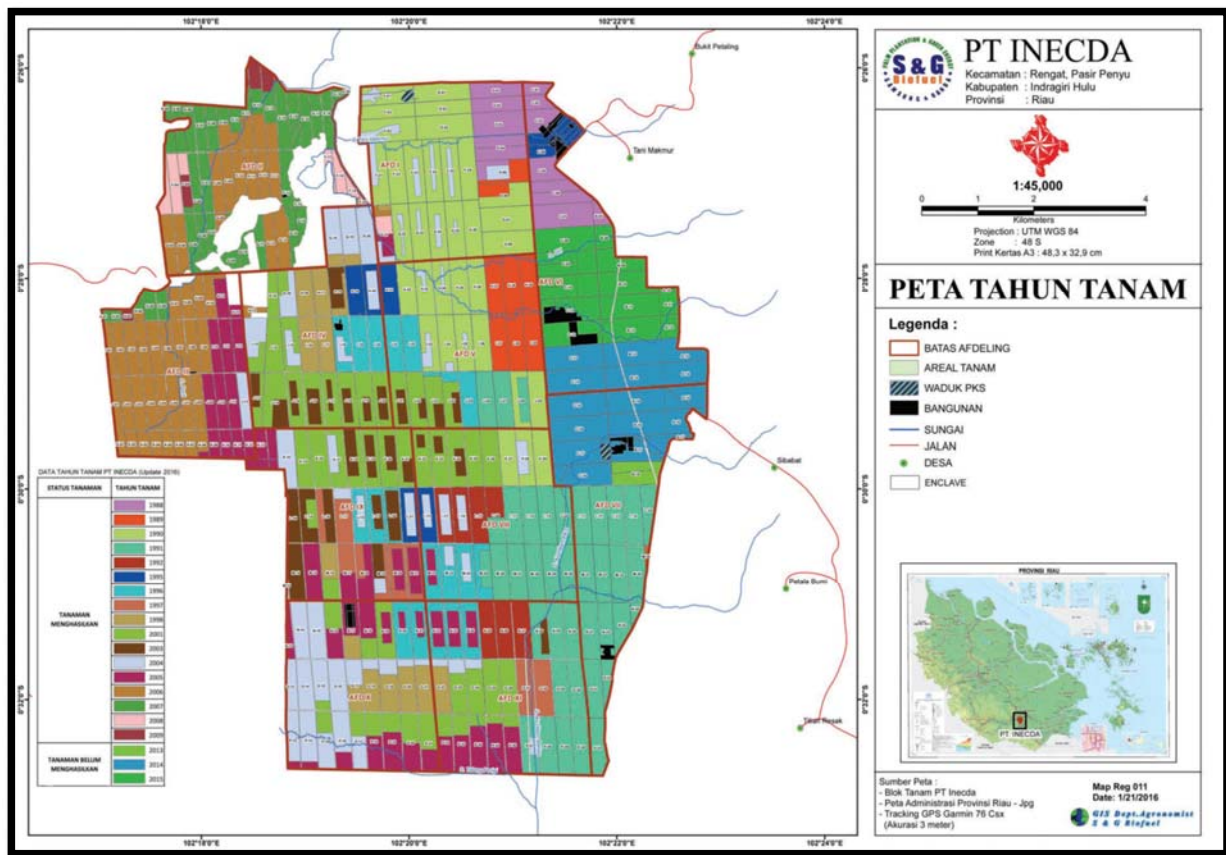


Figure 2. Operational Map of PT Inecda



**Abbreviations Used**

ANDAL	:	<i>Analisis Dampak Lingkungan</i> (environmental impact assessment)
BPJS	:	Badan Penyelenggara Jaminan Sosial / Social Security Agency
BPN	:	<i>Badan Pertanahan Nasional</i> / National Land Agency
Capex	:	Capital Expenditure
CFO	:	Chief Financial Officer
COO	:	Chief Operational Officer
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CU	:	Certification Unit
EFB	:	Empty Fruit Bunch
EHS	:	Environment, Health, and Safety
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed, and Consent
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> / Land Use Title
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
HPK	:	<i>Hutan Produksi yang dapat di Konversi</i> / Convertible Production Forest
HRD	:	Human Resource Department
IA	:	Initial Assessment
IC	:	Initial Certification
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
KLRA	:	<i>Kawasan Lindung Resapan Air</i> / Water Catchment Protected Area
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> or OSH Committee
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
WHO	:	World Health Organization

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li><li>• Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.</li><li>• RSPO Notice to CB on RSPO P&amp;C On-site &amp; Remote Audits, on 24th March 2020.</li><li>• Contingency RSPO Audit Procedure, on 25<sup>th</sup> August 2020.</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Inecda subsidiary of S&G Biofuel PTE. LTD	
1.2.2	Contact person	Didik Sugeng Hariyanto	
1.2.3	Organisation address and site address	RSPO registered company: 3 Church Street, # 21-04 SAMSUNG HUB, 049483, Singapore  Liaison Office: Mega Asri – Green Office, Block B2-8 Jl. Arifin Ahmad, Pekanbaru, Riau, 28282, Indonesia	
1.2.4	Telephone	(0761) 859774	
1.2.5	Fax	(0761) 859247	
1.2.6	E-mail	<a href="mailto:didik@gniplantation.com">didik@gniplantation.com</a>	
1.2.7	Web page address	-	
1.2.8	Management Representative who completed the application for certification	Didik Sugeng Hariyanto	
1.2.9	Registered as RSPO member	1-0238-17-000-00 – 14 August 2017	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Inecda POM) and 2 Supply Bases (Estate 1 and Estate 2)	
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
	Inecda POM	Petala Bumi Village, Seberida Sub-District, Indragiri Hulu District, Riau Province, Indonesia	LatitudeLongitude
			S 0° 29' 37"E 102° 22' 01"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
	Estate 1	Tani Makmur Village, Rengat Barat Sub-District, Indragiri Hulu District, Riau Province, Indonesia	LatitudeLongitude
			S 0° 27' 52"E 102° 19' 43"

	Estate 2	Petala Bumi Village, Seberida Sub-District, Indragiri Hulu District, Riau Province, Indonesia	S 0° 31' 5"	E 102° 20' 21"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		8,828.38	ha
	• Community		-	ha
1.5.2	<b>Area Statement</b>			
	• <b>Total area</b>		8,828.38	ha
	• Mature Area		7,028.01	ha
	• Immature Area		870.23	ha
	• Mill		12.61	ha
	• Infrastructure (housing, office, road, reservoir)		630.28	ha
	• Nursery		13.10	ha
	• HCV		41.71	ha
	• Occupation		232.44	ha
	<i>There is reduction of HGU due to extension of HGU period.</i>			
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (ha)</b>		
		<b>Estate 1</b>	<b>Estate 2</b>	<b>Total</b>
	1990	149.91	-	149.91
	1991	-	839.41	839.41
	1992	-	116.70	116.70
	1995	110.16	58.97	169.13
	1996	142.80	139.13	281.93
	1997	-	144.73	144.73
	1998	105.25	168.19	273.44
	2001	420.17	462.10	882.27
	2003	25.25	222.34	247.59
	2004	166.51	340.54	507.05
	2005	187.38	439.13	626.51
	2006	628.27	-	628.27
	2007	373.20	-	373.20
	2008	80.69	-	80.69
	2009	79.75	-	79.75
	2013	-	28.22	28.22
	2014	157.18	259.35	416.53
	2015	307.91	-	307.91
	2016	203.00	-	203.00
	2017	335.84	-	335.84
	2018	249.49	86.44	335.93
	<b>Sub Total Mature</b>	<b>3,722.76</b>	<b>3,305.25</b>	<b>7,028.01</b>

	2019	429.17	235.71	664.88			
	2020	115.65	89.70	205.35			
	Sub Total Immature	544.82	325.41	870.23			
	TOTAL	4,267.58	3,630.66	7,898.24			
1.6.2	New Planting area after January 2010		- ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> 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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Inecda POM	60	353,980.86	72,579.047	20.50	15,899.367	4.49
	*Production data source from 12 months before assessment (June 2019 to April 2021)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (ha)	Production Area (ha)	FFB (tonnes/year)	Yield (tonnes/ha /year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Estate 1	4,906.47	3,722.76	139,477.25	20.28	139,477.25	100
	Estate 2	3,921.91	3,305.25	138,249.88	22.05	138,249.88	100
	TOTAL	8,828.38	7,028.01	277,727.13	21.11	277,727.13	100
	*Production data source from 12 months before assessment (June 2019 to April 2021)						
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	number of smallholders	Production Area (ha)	Supplied to Mill		
					FFB (tonnes/year)		
	PT Inecda (RSPO non-certified)	PT Inecda	-	135.65	2,969.08		
	Bukit Karang Sawit (RSPO non-certified)	Independent Supplier	-	-	2,286.93		
	Inilah Rahmat Allah/ Delfa Edison	Independent Supplier	-	-	17.96		
	Nuryani (RSPO non-certified)	Independent Supplier	-	-	71,037.15		
	TOTAL				76,311.12		
	*Production data source from 12 months before assessment (June 2019 to April 2021)						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume + Extension Volume (MT)		Last Year Actual Certified Volume (MT) (28 May 2019 to 27 May 2021)	
	FFB Processed			330,165		287,056.14	
	CPO Production			68,565		60,528.68	
	Palm Kernel (PK) Production			14,703		12,691.97	
1.8.2	Product selling						



	Type of selling product			Actual selling product for last year (28 May 2019 to 27 May 2021) (MT)				
	CSPO sold as RSPO certified product			58,277.90				
	CSPK sold as RSPO certified product			12,410.52				
	CSPO sold under other scheme			0				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			1,853.81				
	CSPK sold as conventional			131.34				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (ha)	Production Area (ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Estate 1		4,906.47	3,722.76		81,000	21.76	
	Estate 2		3,921.91	3,305.25		79,000	23.90	
	Total		8,828.38	7,028.01		160,000	22.76	
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Inecda POM	60	160,000	33,600	21.00	7,200	4.50	MB
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISPO			Certificate ISPO issued by PT Mutuagung Lestari (MUTU-ISPO/102) valid 04 August 2017 to 03 August 2022				
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						
	Gandaerah Hendana POM (PT Gandaerah Hendana)	2019	Estate 1	2019	District of Pelalawan, Province of Riau, Indonesia	Certified		
			Estate 2	2019		Certified		
			Estate 3	2019		Certified		
			SKT 1 Estate (HGU on process ±538.17 Ha)	2023	District of Indragiri Hulu, Province of Riau, Indonesia	-		
			SKT 2 Estate (HGU on process ±227.63 Ha)	2023		-		
	Inecda POM (PT Inecda)	2019	Estate 1	2019	District of Indragiri Hulu, Province of Riau, Indonesia	Certified		
			Estate 2	2019		Certified		
			SKT Estate (HGU on process ±135.65 ha	2023		-		
	*TBP is approved on 28 May 2021							
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard							

There is no associated smallholder scheme in PT Inecda
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<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1 (Remote)</b>	<ol style="list-style-type: none"> <li><b>1. Arif Faisal Simatupang (Lead Auditor)</b> Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&amp;C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit, he was assessing the aspects of best management practices of agronomy and processing. During this Assessment has Verified Legality, Grievance and supply chain aspect.</li> <li><b>2. Trismadi Nurbayuto (Auditor).</b> Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore, he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001:14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; SA 8000 and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this assessment verified OHS &amp; Worker Welfare aspect.</li> <li><b>3. Mohamad Amarullah (Auditor).</b> Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry with major in Forest Product Technology. Has experiences as Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as Lead Auditor of ISPO, RSPO, RSPO Supply Chain, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, SA 8000, HCV, etc. very good in conducting RSPO, MSPO and ISPO audit scheme since 2014 on any aspect. Fluent in Malay and English. During this assessment has verified BMP, long term management plan and transparency aspect.</li> <li><b>4. Bayu Yogatama (Auditor)</b> Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this assessment has verified environment, conservation and GHG aspect. During this assessment he verified environment, conservation and GHG aspect.</li> </ol>
<b>ASA-1 &amp; ASA-2 (Onsite)</b>	<ol style="list-style-type: none"> <li><b>1. Hasiholan Sihombing (Lead Auditor).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During this audit, he assigned to verify transparency, legal aspect, land dispute, environmental/conservation and SCCS.</li> <li><b>2. Afiffuddin (Auditor).</b> Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, RSPO SCCS, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He conducted an assessment on worker welfare aspect.</li> <li><b>3. Yudhi Yuniarto Tallutondok (Auditor).</b> Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation</li> </ol>

	<p>company in Indonesia. Training have been followed including Lead Auditor of ISO 9001:2015, Lead Auditor of ISO 14001:2015, ISPO Auditor Training, RSPO P&amp;C Lead Auditor Training Course, RSPO SCC Lead Auditor Course, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness of OHS aspects, ISO 45001:2018, ISO 22000:2009, ISO 19011:2011, ISO 17021:2011, dan ISO 17065:2012. Has participated in audit activities for ISPO and RSPO scheme since 2017 for BMP, OHS, labour, social and legal aspects. In this audit activity performs the assessment of best management practices, OHS, worker welfare and social.</p> <p><b>4. Rahmat Abdiansyah (Auditor).</b> Indonesian citizen. Bachelor of Forestry from IPB University, with major in Forest Resources Conservation and Ecotourism. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this assessment, he verified the aspects of environment, conservation and GHG aspect.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1 (Remote)</b>	<p>Number of auditors: 4 auditors</p> <p>Number of days for <b>Remote ASA-1</b> document review: 2 days</p> <p>Number of working days for <b>Remote ASA-1</b> document review: 8 Working days</p>
<b>ASA-1 &amp; ASA-2 (Onsite)</b>	<p>Number of auditors: 4 auditors</p> <p>Number of days for Onsite <b>ASA-1 &amp; ASA-2</b>: 6 days</p> <p>Number of working days for Onsite <b>ASA-1 &amp; ASA-2</b>: 24 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1 (Remote)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Inecda to the requirements of <b>Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></p> <p>For this section (Remote Audit ASA-1) The assessment was conducted in One method: document review, aiming to observe the sufficiency of types or substances from required documents. Some opportunities for improvement of the results ASA-1 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-2. Improvement of findings from resertification findings were observed by auditors at this Recertification assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification.</p> <p>The opening meeting was held on Monday 29 June 2020 at 08 am through a teleconference (zoom meeting). As for the participants who attended the opening meeting included the Estate 1, Estate 2 and Inecda POM Manager, Supported Team Pekanbaru and other staff at PT Inecda, In addition, the opening meeting was also attended by 2 ASI representatives, while the closing meeting will take place on June 30, 2020 at 16 pm. attended by the same participants as the opening meeting.</p> <p>The assessment program please find Appendix 2</p>
<b>ASA-1 &amp; ASA-2 (Onsite)</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Inecda, Inecda POM Unit Certification based on:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed</li> </ul>

by the RSPO Board of Governors on 12 November 2020

### Additional Documents:

- Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020.

The scope of certification of PT Inecda consist of one mill (Inecda Mill) and two estates (Estate 1 and Estate 2).

The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-1 & ASA-2 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-3. Improvement of findings from ASA-1 findings were observed by auditors at this ASA-1 & ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1 & ASA-2.

The opening meeting was held on 24 May 2021. The participants who attended the opening meeting was Auditor, ASI Facilitator, Regional Controller, Estate Manager and Mill Managers, Support Team from Pekanbaru and other staff at PT Inecda. Closing meeting was held on 28 May 2021 attended by the same participants as the opening meeting. Management PT Inecda accept all the onsite ASA-1 & ASA-2 audit results.

During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. Before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.

Public Stakeholder Notification was made on MUTU Website and RSPO Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III.

Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel.

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA-1 (Remote)	No field visits.
ASA-1 & ASA-2 (Onsite)	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Inecda POM</b></p> <ul style="list-style-type: none"> <li><b>Weighbridge (1 Worker).</b> Observations and interviews related to workers welfare, training, FFB traceability and supply chain system.</li> <li><b>Chemical storage.</b> Observation about condition of storage and interview with worker related to worker welfare, implementation of OHS, and training.</li> <li><b>Oil store.</b> Observation for OHS, Hazardous material handling and PPE.</li> <li><b>Hazardous waste storage.</b> Observations about condition of storage and interview with workers related to the implementation of OHS, worker welfare, and hazardous waste management.</li> <li><b>Workshop.</b> Observation and interview related OHS and workers welfare.</li> <li><b>WWTP.</b> Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.</li> <li><b>Housing complex.</b> Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li><b>Security Post.</b> Observations related to occupational safety and health as well as established work procedures</li> <li><b>Loading Ramp Station.</b> Observations related to occupational safety and health as well as established work procedures</li> <li><b>Sterilizer Station.</b> Observations related to occupational safety and health as well as established work procedures</li> <li><b>Evacuation route.</b> Observation related emergency preparedness</li> <li><b>Hydrant simulation.</b> Observation related emergency preparedness</li> </ul> <p><b>Estate 1</b></p> <ul style="list-style-type: none"> <li><b>Housing Afdeling 2.</b> Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li><b>Housing Afdeling 3.</b> Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li><b>Generator house.</b> Observation about condition of generator house.</li> <li><b>Spareparts store.</b> Observation for material handling, PPE Stock and OHS.</li> <li><b>Chemical storage.</b> Observation about condition of storage and interview with worker related to worker welfare, implementation of OHS, and training.</li> <li><b>Oil store.</b> Observation for OHS, Hazardous material handling and PPE.</li> <li><b>Body shower of spraying team and mixing area (TUS).</b> Observation the conditions body shower room and PPE handling.</li> <li><b>Landfill.</b> Observation related to domestic waste management.</li> <li><b>Fire Extinguisher Store and simulation.</b> Observation for OHS and material handling.</li> <li><b>Fertilizer store</b> Observation for material handling, OHS, and hazardous material handling.</li> <li><b>Daycare.</b> Observation and interview related daycare facility.</li> <li><b>Workshop.</b> Observation and interview related OHS and workers welfare.</li> <li><b>Block F21 Division 1: HGU Pole No. INC 114.</b> Observation the conditions and position of legal boundary.</li> <li><b>Block F21 Division 1 (Occupational Area).</b> Observation in the occupational area.</li> <li><b>Block F03 Division 1: HGU Pole No. INC115 and IND2.</b> Observation the conditions and position of legal boundary.</li> <li><b>Block E09 Division 2: HGU Pole No. IND73.</b> Observation the conditions and position of legal boundary.</li> <li><b>Block E11 Division 2: HGU Pole No. IND74.</b> Observation the conditions and position of legal boundary.</li> <li><b>Block E11 Division 2.</b> Observation of the management and marking of borders between certified areas and non-certified areas.</li> </ul>



- **Block H22 Division 5: Siri River (HCV Area).** Observation of HCV management.
- **Block F26 Division 1: Tani Makmur River (HCV Area).** Observation of HCV management.
- **Block F01 Division 1: Embung/Pond (HCV Area).** Observation of HCV management.
- **FFB Harvesting, Block I11-I12 Division 3.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Loose fruit picking and transport Block J11-I12 Division 3.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Water Management (Dam Check) Block J11-I12 Division 3.** Observation water management on peat.
- **Water Management (Water Gate IJ7 Division 3).** Observation water management on peat.
- **Barn Owl Box, block I5 Division 3.** Observation IPM aspect.
- **Piezometer Block H19 Division 4.** Observation water management on peat.

#### Estate 2

- **Air hitam river border Block M 29/30 Afdeling 8.** Observation for HCV
- **Body shower of spraying team and mixing area (TUS).** Observation the conditions body shower room and PPE handling.
- **Block N 23 Afdeling 11.** Observation condition Block Replanting.
- **Housing Afdeling 10.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Daycare.** Observation and interview related daycare facility.
- **Generator house.** Observation about condition of generator house.
- **Block O26 Afdeling 11.** Simulation of monitoring land fire.
- **Air Hitam Belilas river border Block M/N 29 Afdeling 8.** Observation for HCV
- **Housing Afdeling 7.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Block B15 Afdeling 7.** Observation the conditions Land application and safety health.
- **Monitoring well Block C15.** Observation the conditions monitoring well and safety health.
- **Landfill block B 17.** Observation related to domestic waste management.
- **Block A16 Division 7.** Observations on areas that have been excluded from the company's HGU area because included in the category of production forest areas that can be converted, but are still under company management.
- **Block P31 Division 7: HGU Pole No. INC54, INC55 and INC56.** Observation the conditions and position of legal boundary.
- **Block P21/22 Division 10/11: HGU Pole No. BPN32.** Observation the conditions and position of legal boundary.
- **Block P13 Division 10: HGU Pole No. BPN40, BPN39 and BPN38.** Observation the conditions and position of legal boundary.
- **Block P14/15 Division 10: Talang Perigi River (HCV Area).** Observation of HCV management.
- **Block P13 Division 10.** Observation of the management and marking of borders between certified areas and non-certified areas.
- **FFB Harvesting Block K16 Division 9.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Herbicide Application, Block L20 Division 9.** Observation of activities related to technical aspects of spraying, OHS aspects, waste management and employment.
- **Barn Owl Box, block M20 Division 9.** Observation IPM aspect.
- **Piezometer Block L20 Division 9.** Observation water management on peat.
- **Water Management (Water Gate L29).** Observation water management on peat.
- **Loose fruit picking and transport Block K18-19.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Peat subsidence pole Block K17.** Observation water management on peat.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1 (Remote)</b>	No stakeholder consultation.
<b>ASA-1 &amp; ASA-2 (Onsite)</b>	<p>Consultation of stakeholders for PT Inecda held by:</p> <ul style="list-style-type: none"> <li>Public Notification on website Mutu International (<a href="https://mutucertification.com/notification-of-rspo-asa-1-asa-2-inecda-pom-pt-inecda/">https://mutucertification.com/notification-of-rspo-asa-1-asa-2-inecda-pom-pt-inecda/</a>) on 10 May 2021.</li> <li>Public consultation with NGOs (by email) such as WALHI, WWF, and Sawit Watch on 17 May 2021</li> <li>Public consultation meeting with government institution on 24 - 27 May 2021</li> <li>Public consultation meeting with communities on 24 May 2021</li> <li>Public consultation meeting with internal stakeholders and contractor on 24 - 27 May 2021</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Inecda.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ASA-3 will be conducted eight (8) months to twelve (12) month after date of annual license.



### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Inecda POM - PT Inecda subsidiary of S&G Biofuel PTE Ltd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were six (6) Nonconformities were assigned against Major Compliance Indicators, six (6) Nonconformities were assigned against Minor Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic).

MUTUAGUNG LESTARI found that Inecda POM – PT Inecda subsidiary of S&G Biofuel PTE Ltd complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standards, Endorsed by the RSPO Board of Governors on 12 November 2020.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *continued*.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>Companies can show records of providing information to relevant agencies in the form of routine reports, for example: Plantation Legality</p> <ul style="list-style-type: none"> <li>Plantation progress report (LPUP) period of Semester II 2020 has been sent to Plantation Agency of Riau Province on 8 February 2021.</li> <li>HGU utilization report for the period 2020 has been sent to Land Agency of Indragiri Hulu District on 7 January 2021.</li> </ul> <p>The company shows evidence of environmental monitoring and management reporting to the Indragiri Hulu Regency Environmental Service (DLH), examples of which are shown by several documents, as follows:</p> <ul style="list-style-type: none"> <li>Evidence of Hazardous and Toxic Waste Management Report for Quarter 1 of 2021 to the Environmental Service of Indragiri Hulu Regency on 6 May 2021.</li> <li>Evidence of Hazardous and Toxic Waste Management Report for Quarter 4 of 2020 to the Environmental Service of Indragiri Hulu Regency on 17 February 2021.</li> <li>Evidence of Report of POME Monitoring for January 2021 Period to the Environmental Service of Indragiri Hulu Regency on 26 February 2021.</li> <li>Report Evidence of POME Monitoring Report for the Period of February 2021 to the Environmental Service of Indragiri Hulu Regency on March 24, 2021.</li> <li>Report on the Implementation of RKL/RPL Semester 1 of 2020 to the Environmental Service of Indragiri Hulu Regency on July 28, 2020.</li> <li>Report on the Implementation of the 2nd Semester of 2020 RKL/RPL to the Environment Agency of Indragiri Hulu Regency on 17 February 2021.</li> <li>Report Evidence of Surface Water Intake &amp; Utilization for the January-March 2021 Period to the Sumatra III Riau Regional</li> </ul>	

Office on 26 April 2021.

**OHS Aspect**

- OHS Committee report for fourth quarter of 2020 sent to local manpower office on 11 January 2021.
- OHS Committee report for first quarter of 2021 sent to local manpower office on 9 April 2021.

The company shows mandatory reports related to employment aspects, including the following:

- The company shows the Decree of the Head of the Manpower Office of Indragiri Hulu Regency number Kpts.560/Disnaker.02/PKWT/24 regarding PT Inecda's PKWT Registration, dated March 15, 2021, which explains that 63 PKWTs have been registered.
- Mandatory Employment Report at the Company (by online), reporting number 29351.20200626.0003, registration code 29351.01269.20190521.1-001, reporting date 26 June 2020, obligation to report back 26 June 2021.

**1.1.2**

Based on the results of document review and interviews with agencies, such as the Manpower Office of Indragiri Hulu Regency, it is known that the information presented by the certification unit has been presented in an appropriate language and can be accessed by the agency. For example, including proof of handover of the Mandatory Employment Report at the Company (online) report.

The company showed examples of other requests for information, including proof of a letter of social support (Request for CSR assistance) from a local village and the response, including an incoming letter from Tani Makmur Village on November 16, 2020 regarding the request for heavy equipment and it was carried out on December, 2020.

**1.1.3**

Information request and its response notes is presented in document of Information Logbook which inform number of information request letter, date of letter, date of acceptance, return address, subject of letter and company response. For example, Letter from Sultan Syarif Kasim Islamic University to Inecda POM No. Un.04/F.V.PP.00.9/0970/2020 dated 20 January 2020 about data collection for undergraduate project research had responded by forwarding the respective letter to the COO through Letter of CSR and HRD of PT Inecda No. 42/IN-SBE/CSR/II/2020 dated 13 February 2020. The request had approved by the COO on 27 February 2020, and recorded on the logbook.

**1.1.4**

List of information that could be assessed by public is presented in Letter No. 14/IN-SBE/HMS/IV/2019 dated 25 March 2019. Among assessable information's are HCV, HGU, ANDAL, SIA, company vision and mission, company policies, OSH and environment program, company procedures towards conflict resolution and industrial relationship, etc. Furthermore, procedure of information services to all stakeholder is presented in document No. 004-SOP-ISP (Rev. 0) dated 02 January 2014, issued by Chief Operation Officer (COO). The procedure describes mechanism on internal and external communication towards information services. All information requested shall be responded less than 10 days, arranged by HSE Officer. Consultation and communication procedures have been disclosed, implemented, provided, and explained to all relevant stakeholders by a designated management representative, including those listed in the Socialization of the communication mechanism on 11 January 2019 in Talang Sungai Limau Village, with the attendance list contained in document No. FRM-ISP-P 037/01 (Rev. 0). In addition, there is also a document of Proof of Receipt of Corporate Document Transparency Notification to stakeholders.

**1.1.5**

There is an up-to-date list of contacts and detailed information on stakeholders and their appointed representatives, which are listed in the PT Inecda Stakeholder List document, dated April 30, 2021, which among other things explain the PIC, Location, Institution, Job Title (position) and HP numbers for:

- 42 government agencies
- 29 village and sub-district officials
- 11 community leaders/ traditional leaders/ religious leaders
- 5 communities who control the company's HGU
- 4 NGOs/ Press

- 9 trade unions-bipartite-cooperative employees-gender committee
- 3 education/academics
- 8 suppliers
- 30 contractors for goods/services
- 6 buyers

The unit of certification also shows a List of Stakeholders - Transporters CSPO and CSPK, which describes the Company Name, Commodity and Telephone for the 7 transporters.

**Status: Comply**

## 1.2

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

### 1.2.1

Based on the results of the document review, it is known that Company's Code of Ethics in business ethics issued by the President Director on August 4, 2018. Furthermore, the same value is also stated in Article 50 of the Collective Labor Agreement (CLA), namely abusing his authority and position for personal gain and cooperate with third parties who do work in the company or within the company for personal, group benefits.

The socialization regarding this matter was delivered on February 5, 2020, with the attendance list presented in the Form No. document. FRM-ISP-P 037/01 (Rev. 0). The socialization informs the contact number 081371350000 with guaranteed whistleblower identity, if there are deviations from the PT Inecda Code of Ethics in business operations and transactions.

Based on the results of field observations in the mill area, there was an appeal regarding the prohibition of giving tips to head employees and staff. In the third party FFB sorting area there is a CCTV camera which, based on management's explanation, is a form of supervision related to bribery. In front of the Mill office, a complaint contact number (SMS) was found at 081371350000 if things like fraud, corruption, taking company assets and bribing/bribery were found. Based on management's explanation, the number is the company's internal audit number. Based on the results of interviews with contractors, for example CV Murah Rizki, it is known that there is a circular letter from the COO to contractors regarding no gratuities, bribes, etc.

### 1.2.2

There is a system in place to monitor compliance and implementation of policies and ethical business practices as a whole, including those carried out in the mill area, namely based on the results of field observations in the mill area, there was an appeal regarding the prohibition of giving tips to head employees and staff. In the third party FFB sorting area there is a CCVT camera, which based on management's explanation, is a form of supervision related to bribery. In front of the Mill office, a complaint contact number (SMS) was found at 081371350000 if things like fraud, corruption, taking company assets and bribing/bribery were found. Based on management's explanation, the number is the company's internal audit number.

An Investigation Report dated March 24, 2020 was shown which informed that there were irregularities made by the Foreman from Estate 1 who also worked as a Contractor with the initials CV ANS, EFB transporter. The object of deviation is related to the CLA Article 51.6. (R). In accordance with the recommendation of the Investigator from the Internal Audit Department, it was found that a Level 3 Warning Letter was given to each Foreman and each contractor was blacklisted by the company.

**Status: Comply**

## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

### 2.1

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

#### 2.1.1.

The company has list of regulations of 2021 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as:

#### **Land legality**

In term of legal and permit regulation compliance, company are able to shown several documents, such as Location Permit, Plantation Business Permit and Land Tenure or Land Use Right (HGU). Compliance with the regulation on the licensing for plantation business, based on Decree of the Regent of Indragiri Hulu No: Kpts.400/VII/2015 concerning Plantation Business Permit on behalf of PT Inecda, dated 27 July 2015 decided to grant a plantation business license to PT Inecda with the type of business of Oil Palm Plantation Cultivation with a total area of 9,466.047 Ha with details area I of 6,357.90 Ha and area II of 3,108,147 Ha and industrial palm oil mill with unit I capacity of 30 tons/hour and unit II capacity of 45 tons/hour

### Environmental Aspects

The company has complied with several legal compliances in environmental aspects, for example:

- The company has obtained an Approval for Fulfillment of the Commitment of the Hazardous and Toxic Waste Management Permit for the Producer of Hazardous and Toxic Waste Storage Activities PT Inecda in accordance with the Decree of the Head of the Investment and Integrated Services Agency (DPMPTSP) of Indragiri Hulu Regency Number 16/DPMPTSP/BP-LB3/XI/ 2020 is set on November 23, 2020 with a validity period of 5 years from the date of stipulation.
- The company already has a permit for the utilization of oil industry wastewater on the ground at the Palm Oil Plantation (Land Application) to PT. Inecda is in accordance with the Decree of the Head of the Environmental Service of Indragiri Hulu Regency No. 22 of 2018 on December 18, 2018 with a validity period of 5 years from the date of stipulation.
- The company can show the Decree of the Minister of Public Works and Public Housing No. 963/KPTS/M/2017 Regarding the Granting of a Water Resources Concession Permit to PT INECDA for Industrial Business in the Air Hitam River, 29 November 2017.
- The company already has environmental documents in the form of ANDAL, RKL-RPL and has obtained environmental feasibility based on the Decree of the Regent of Indragiri Hulu Number 84 of 2008 dated June 13, 2008.

### BMP and OHS

Operator of Power and Production Equipment and Electrical OHS Expert

1. Based on field observations in the engine room known that the certification unit has turbine engines and generator sets with the following capacities:
  - a. Turbine : 1000 kW / 1250 kVA / 1340.4825 HP
  - b. Generator Set : 440 kVA / 471,849 HP
  - c. Generator Set : 250 kVA / 268,096 HP
2. The certification unit shows the following machine licensing documents:
  - a. Steam Turbine Installation/Use Permit from the Manpower Office of Indragiri Hulu Regency with the number: 02/TB-MEK/DSTKT.04/2015. In the document it is explained that the power of the steam turbine is 1,000 kW.
  - b. Validation of the use of Diesel Motor with the number: 01/MD-MEK/DSTKT.04/2015. In the document it is explained that the diesel motor power is 440 kVA.
  - c. License for Installation from the Manpower Office of Riau Province with the number: 560/DISNAKERTRANS/II/2018/982. In the document it is explained that the diesel motor power is 250 kVA.
  - d. License for Installation/Use of Diesel Motor from the Manpower Office of Riau Province with the number: 560/DISNAKERTRANS/II/2018/982. In the document it is explained that the diesel motor power is 250 kVA.
3. *Permenaker* No. 38 of 2016 in Articles 110, 111 and Table E it is explained that for a prime mover engine with a power > 214.47 HP, one person must have a class I and class II power and production operator each.
4. *Permenaker* No. 12 of 2015 in Article 7 it is explained that for companies that have power plants of more than 200 kVA, they are required to have Electrical OHS Experts.
5. The certification unit shows the 2021 Mill Operator license list document where the certification unit has 2 operators of diesel engines with a validity period of 29 April 2024. However, the certification unit does not yet have a licensed for turbine engine types and electrical OHS expert.

Based on this evidence, it is known that the certification unit does not yet have a licensed for turbine operator and electrical OHS expert in accordance with applicable legal obligations. **(Non-conformity No. 2021.01 with Major category)**

The company shows evidence of compliance with regulations related to employment aspects, including the following:

- The company shows the Decree of the Head of the Manpower Office of Indragiri Hulu Regency number Kpts.560/Disnaker.02/PKWT/24 regarding PT Inecda's PKWT Registration, dated March 15, 2021, which explains that

63 PKWTs have been registered.

- Mandatory Employment Report at the Company (Online), reporting number 29351.20200626.0003, registration code 29351.01269.20190521.1-001, reporting date 26 June 2020, obligation to report back 26 June 2021.
- Based on the results of the document review, for example the Order of Overtime Work Plan dated April 11, 2021, Realization of Overtime Work dated April 11, 2021, Overtime Recap Document for the period of 11-20 April 2021, Pay Slip for the period April 2021 and Payroll April 2021 for employees with SUH ( initials) and PEI (initials), it is known that the calculation of overtime wages and wages that have been paid is in accordance with the Decree of the Minister of Manpower and Transmigration number 102 of 2004 concerning Overtime Work and Overtime Wages.

## 2.1.2

Procedure of legal requirement which presented in document No: 002-SOP-ISP, dated 2 January 2014 mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. Internal audit of regulations compliance is conducted annually as example on 18-20 February 2021. The procedure mentioned that in order to monitor and update of laws and/or regulations, the sustainability officer required to actively check and make coordination with Government Agencies or Institutions.

## 2.1.3

Procedure of legal boundary poles monitoring and maintenance is presented in document No. 040-SOP-AGR, revision 02 dated 3 October 2019. Procedure mentioned that maintenance was carried out by division assistant, Geographic Information System staff, Estate Manager and Legal Manager. Monitoring the boundaries of the HGU is done every 3 month.

Field observations to several HGU boundary markers in Estate 1 (No. INC114, INC115, IND2, IND73, IND74) and Estate 2 (No. INC54, INC55, INC56, BPN32, BPN40, BPN39, BPN38) show that the poles sampled during the audit were available in the field and in well-maintained conditions. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title.

At the HGU stakes IND73 Block E9 Division 2 and IND74 block E11 Division 2 are the boundaries between planting blocks that are included in the scope of certification and planting blocks which are areas outside the scope of certification currently in the HGU process (an area of 135.65 Ha) which has entered the timebound plan. The company has made boundary markings with signposts and also red paint on oil palm trees and has arranged a special harvest rotation in the non-certified area so that the harvesting process is different from the certified area.

<b>2.1.1</b>	<b>Status: Non-conformity 2021.01 with Major category</b>
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## 2.2

**All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.**

### 2.2.1

There is a list of contractors listed in the PT Inecda Stakeholder List document, dated April 30, 2021, which among others explains the PIC, Location, Institution, Job Title and HP number as follows:

- 8 suppliers, for example on behalf of Bukit Karang Sawitri and Nuryani as FFB suppliers. For example, a letter of agreement for the sale and purchase of oil palm FFB dated January 4, 2021 between Nuryani (the seller) and PT Inecda, which was signed by both parties and known to the Agriculture and Fisheries Service of Indragiri Hulu Regency.
- 30 contractors, for example on behalf of CV. Murah Rezeki (circle racking contractor) and Delta Guard (outsourcing security)

The unit of certification also shows a List of Stakeholders - Transporters CSPO and CSPK, which describes the Company Name, Commodity and Telephone for the 7 transporters.

### 2.2.2 & 2.2.3

Based on the results of the document review, it is known that the certification unit has included a separate clause regarding the fulfilment of relevant legal obligations, as stated in SPK 03/GP/KBN I-INC/CV.MR/I/2020 dated January 3, 2020 with Tusu (CV Murah Rizki) for Circle Racking activities. In Article 6 regarding the obligations of the parties, it is stated that it is:

- Prohibited to employ children under the age of 18 years
- Provide a list of names of workers accompanied by ID cards



- Register workers in the health insurance program
- Comply with labor regulations regarding work supervision
- Must comply with other regulations determined by the government and companies
- The second party is obliged to provide access to the first party if at any time monitoring the labor administration and OHS.

In article 12, it is stated that the second party is

- Able and willing to comply with the applicable laws in the Republic of Indonesia as well as other regulations applicable in the company where at any time the second party can show proof of its obedience
- The second party is prohibited from employing children, the practice of forced labor and the practice of buying and selling labor (Human Trafficking).

The Certification Unit has evaluated contractors, for example to CV Mulya Jaya (FFB Transport), CV Dian Sejahtera (Circle Racking), CV Murah Rizki (Circle Racking) and CV Auliah Ningrat Sejahtera (Transport of EFB).

Some of the things that are evaluated include

- Quality of work
- Schedule punctuality
- Completeness and feasibility of HR
- Compliance with company rules
- The level of communication and cooperation with the company
- Discipline in the use of PPE

As a sample, the unit of certification shows proof of BPJS registration for contractors a.n. CV Murah Riziki No 2000000409117.

**Status: Comply**

## 2.3

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

### 2.3.1 & 2.3.2

Based on the review of FFB receipt documents, it is known that there is no FFB obtained directly but FFB is received from a third party, namely the FFB Supplier (Agent). The FFB from the third party (Agent) is obtained from the surrounding community/Farmers. The agents are Bukit Karang Sawitri and Nuryani. Companies can show geolocation information from FFB and proof of land ownership status from communities/Farmers who sell FFB to agents, for example:

- Bukit Karang Sawitri has 350 Farmers. The company can show geolocation information and land ownership status from Smallholders, for example:

No	Smallholder Name	Village	Estate	Latitude	Longitude	Legality	Planting year
1	Zainal Abidin	Petala Bumi	2 Ha	0.513933	102.421687	SKGR	1997
2	Yatinem	Petala Bumi	2 Ha	0.485098	102.401900	SKGR	1999
3	Yatemi	Petala Bumi	1 Ha	0.520322	102.403854	SKGR	1999
4	Waridi	Petala Bumi	1 Ha	0.518301	102.391500	SKGR	2000
5	Wadiono	Petala Bumi	1 Ha	0.465783	102.350600	SKGR	1998

- Nuryani has 1400 Farmers. The company can show geolocation information and land ownership status from Smallholders, for example:

No	Smallholder Name	Village	Estate	Latitude	Longitude	Legality	Planting year
1	M. Amin	Pangkalan Kasai	1 Ha	0.617672	102.438560	SHM	2002
2	Legino	Pangkalan Kasai	1.8 Ha	0.633492	102.390411	SHM	1997
3	Lasman	Pangkalan Kasai	4 Ha	0.598353	102.386269	SHM	1995
4	Alisnar	Pangkalan Kasai	1 Ha	0.598081	102.410255	SHM	2000
5	Lamini	Pangkalan Kasai	1.4 Ha	0.598381	102.397850	SHM	2000

The company uses the Koltiva application to record geolocation information data and proof of ownership of the FFB originating land. In the application can also be seen a map of the polygons of the farmer's plantation. The Auditor Team has also checked

the geolocation information from FFB using the application. Based on the results of the verification, it was found that none of the land of the farmers came from the National Park and Protected Forest area.

**Status: Comply**

### **PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**

#### **3.1**

**There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.**

##### **3.1.1**

The certification unit shows Long Term New Planting & Crop Production Program documents for 2019 – 2023, which includes Planted Area, Actual/Projected Production, Actual/Projected Yield, Potential Yield, OER, FFB Process, CPO Production, CPO Production (Intern), CPO Yield (Internal), Marginal Area and so on. For example, for the 2022 plan there are 375.67 Ha replanting program; FFB processed 190,200 MT; OER 21%, KER 4.7% and so on.

##### **3.1.2**

The certification unit shows the projected replanting program for the next 5 years, as follows:

- Year 2019 : 390.30 Ha
- Year 2020 : 381.30 Ha
- Year 2021 : 388.95 Ha
- Year 2022 : 375.67 Ha
- Year 2023 : 376.52 Ha

##### **3.1.3**

The certification unit conducts evaluations to ensure the continuity of the plantation business which is carried out every month and is documented in the Plantation and Mill Progress Report document, for example for the March 2021 period which explains the recapitulation of FFB production per block, development of maintenance of mature and immature plants, development of fertilization for mature and mature plants.

**Status: Comply**

#### **3.2**

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

##### **3.2.1**

The company has taken actions for continuous improvement in environmental aspects, for example:

- Has made efficient use of fossil fuels by using renewable fuels, namely shells and fiber as boiler fuel.
- Conducting river water quality testing and monitoring wells every 6 months.
- Conduct air quality and emission testing every 6 months.

##### **BMP Aspect**

Based on verification document, field observation, and interviews with the worker known that the certification unit has consistently used technology in carrying out field operations, including:

- Drones for main census activities, mapping, security surveillance, hotspot monitoring (with night vision).
- Mechanization of transporting FFB using a grabber when transporting FFB from the TPH, and put it in the truckbin.
- Paranet for mechanical control of horn beetle.
- Digital traceability using the Koltiva application.

##### **3.2.2**

Not applicable, since RSPO metric template on annual report is not available due to the audit conducted before July 2021. The company has also submitted its 2020 ACOP report to the RSPO.

**Status: Comply**

#### **3.3**

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

##### **3.3.1; 3.3.2 and 3.3.3**

The company shows the SOP master list document that explains the SOP for Agronomy, Factory, ISPO, HRD, Legal and

SOP for CSR. The SOP for Agronomy includes land suitability surveys, Nurseries, LC, Planting, Maintenance of Immature and Mature, Control of Pests and Diseases, Peat Management, and Harvesting. Factory SOP contains starting from FFB Receiving, Processing, to Supply Chain.

The implementation monitoring mechanism is carried out during work implementation through the supervision of the Foreman, Assistant, and Manager. The certification unit also conducts routine and specific audits, according to the needs of both sustainability and operational audits. One example shown by the certification unit is the ISPO and RSPO Internal Audit which was carried out on March 15-17, 2021

Status: Comply

### 3.4

**A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.**

#### 3.4.1

Based on the results of the document review and field visits, it was found that there were no new area additions made by the company. In addition, no new plantings have been carried out. The planting in 2020 is a replanting carried out by the company. The company already has environmental and social impact assessment documents.

#### Environmental Aspect

The company has carried out an environmental impact assessment as stated in the ANDAL Document for the Development of an Oil Palm Plantation of PT. INECDA, The area of the AMDAL study is 9,466.05 Ha with a factory capacity of 60 tons/hour. Environmental documents that have been owned have obtained environmental feasibility based on the Decree of the Regent of Indragiri Hulu Number 84 of 2008 dated June 13, 2008 regarding the environmental feasibility of oil palm plantation activities and oil palm processing factories in Sub-district of Seberida Renggat Barat, Pasir Penyau and Rakit Kulim, Indragiri Hulu District, Riau Province. The study area is ±9,466.05 Ha and the palm oil processing factory has a capacity of 60 tons of FFB/hour. The consultant for the drafting of ANDAL, RKL/RPL is CV. Mitra Alam Riau Consultant (MARKO) Riau with a competent team in the preparation of the AMDAL document as evidenced by the attachment of a certificate of competency support for each individual.

Based on document verification, it is known that the environmental impact assessment process is carried out independently and has involved affected stakeholders. In addition, the study of environmental documents has covered the entire operational area of the company. The results of consultations with the Environmental Office of Indragiri Hulu Regency revealed that the environmental documents owned by the company were in accordance with the provisions.

#### Social Aspect

The company has carried out a social impact assessment, namely the SIA Assessment which was carried out on 18-23 September 2017 by Sonokeling. The discussion on risk factor analysis and impact analysis includes land certainty and business legality, availability of labor, household economic resilience, level of community welfare, business legitimacy from the community, social conflict, social dynamics and accessibility. There are several positive and negative impacts from the company based on the results of the social impact analysis, such as:

- Positive Impact: Land acquisition, employment opportunities, reducing unemployment, access to economic activities, partnerships, and CSR programs.
- Negative Impact: The boundaries of land owned by residents are not clear with the company's HGU, overlapping land, smell of sewage, negative complaints and accusations related to labor recruitment, residents' health, damaged roads, and lack of access to information.

#### 3.4.2

The company already has an environmental and social management and monitoring plan, namely:

#### Environmental Aspect

There is an environmental management and monitoring plan in accordance with the 2008 AMDAL document which includes: Management Plan:

- Decreased air quality (ambient and noise level)
- Decline in surface water quality



- Deterioration of ground water quality
- Disturbance to terrestrial ecosystems (Flora and Fauna)
- Disturbance to aquatic biota
- Social, Economic and Cultural Change
- Potential Land fires

**Monitoring Plan:**

- Decreased ambient air quality
- Noise impact
- Decline in surface water quality
- Deterioration of ground water quality
- Land ecosystem changes (vegetation and wildlife)
- Decrease in the quality of aquatic biota
- The emergence of community unrest (Social, Economic and Cultural changes)
- Increased Income (Social, Economic and Cultural Changes)
- Land Fire Potential

**Social Aspect**

The company has an SIA management plan for the 2020/2021 period which was prepared in a participatory manner together with affected stakeholders such as Karywan and the surrounding community. The preparation was carried out by considering the results of questionnaires given to stakeholders and the results of consultations with several villages such as Seberida Village, Petalongan Village, Sungai Limau Village, Petala Bumi Village, Titian Resak Village and Tani Makmur Village which were conducted in October 2019. The company can show several questionnaire results and documentation of consultation activities with surrounding village communities. The SIA management and monitoring plan is prepared as follows:

**External Issues, for example:**

- The issue of changing cropping patterns from rubber to oil palm plantations: Establishing Partnerships/Cooperation with the development of plasma plantations
- Clean Water Issues: Making a Clean Water Installation in Petalongan Village
- Odor and Noise Issues: Establishment of no burning policy, Planting cover crops, Monitoring through environmental impact questionnaires
- Dust Issues: Regular road watering
- The issue of damaged roads due to the activities of cars transporting FFB to Mill: Scheduling of road repairs, material and heavy equipment assistance.
- Issues on the level of education and skills of residents: Training programs for residents such as sewing and knitting, making flower pots, counseling and fostering fish farming.
- New BUMDes issues: Cooperating with BUMDES in surrounding villages and providing training to BUMDes administrators.
- Talang Mamak Indigenous Community ISSUES: Building cooperation and communication with indigenous peoples.

**Internal Issues, for example:**

- Local manpower issues: recruiting transparently and in accordance with laws and regulations, Prioritizing local residents for the competent workforce recruitment process.
- Minimum OHS socialization issues: conducting socialization and making socialization programs.
- Facilities and medical personnel issues: improving the competence of the company's health workers and equipping medical equipment.
- Issues of poor OHS signs: make a regular program for the management of OHS signs.
- Issues that the first aid kit is not appropriate: Make a list of first aid kits according to regulations.
- Social jealousy related to housing facilities: socialization and mediation of social jealousy, carrying out long-term development in stages according to company finances.
- Clean water: construction of boreholes/water tanks in employees' homes.

**3.4.3**

**Environmental Aspect**

The Company has carried out environmental and social management and monitoring in accordance with its management plan. Environmental management and monitoring can be seen in the report on the implementation of environmental management and monitoring for Semesters 1 and 2 of 2020. The RKL-RPL Implementation Report for Semesters 1 and 2 of 2020 has explained the aspects that are managed and monitored including: Weed Control, Control of plant pests and diseases, Fertilization, Transport of Harvested Products, Recruitment, Replanting, POME Management, Land Applications, Solid waste treatment, Decreasing surface water quality, Decreasing ambient air quality, Noise, Declining surface water/river water, Decreasing groundwater quality, Changes in land ecosystems (vegetation and wildlife), Decrease in the quality of water biota, Community unrest, Business opportunities and increase in income, Land fires, Peatlands.

**Social Aspect**

The company has implemented the SIA management and monitoring plan carried out in 2020, for example: road repair activities, sewing training, knitting training, construction of sewing and knitting houses, fostering freshwater fish farming, providing scholarships and providing job vacancy information.

The company has also evaluated the implementation of the SIA plan and management for the 2020 period on January 17, 2021. The auditor verified the social issues that developed through the Internet and it was found that there were issues related to drugs within the company and FFB theft issues. The company has responded related to this issue by conducting socialization related to the dangers of drugs to employees, for example on March 20, 2021. Regarding the FFB theft issue, based on an interview with PIC SIA, the company has responded by training security officers and monitoring theft through drones. Regarding the issue of Drugs and FFB theft, it is not included in the 2021 SIA management plan. The company has the opportunity to ensure that social issues, but not limited to the issue of drugs and palm theft, are included in the SIA management plan for the following year. **This becomes OFI.**

<b>Status: Comply</b>
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**3.5**
**A system for managing human resources is in place.**
**3.5.1**

The company already has a human resource system, including employee recruitment procedures with document number 001-SOP-HRD revision number 01 effective April 1, 2018 approved by the Chief Finance Officer and Chief Operation Officer. This SOP aims to ensure that the recruitment process is good in order to meet the needs of qualified human resources as expected by the company.

The system implemented by the certification unit for recruitment, selection, promotion, retirement and termination of employment is available to workers in accordance with the applicable regulations contained in the CLA. For example, in the process of recruiting new workers who are accepted at least 18 years old, as stated in the Manpower Law no. 13 of 2003. In addition, regarding retirement and termination of employment, it has also been explained in the CLA which states that this must be done in accordance with the applicable labor laws and regulations.

Based on the results of interviews with workers and workers' representatives (trade unions and gender committees), it is known that workers have understood several points stated in the work agreement and CLA, such as related to working days and hours, calculation of overtime, wages, social security and others.

**3.5.2**

Records of employment procedures have been well-documented, which were randomly verified on several documents, as follows:

- Interview result form (FRM-HRD-P 001/03)
- New employee handover form (FRM-HRD-P 001/05)
- New employee recruitment process reporting form (FRM-HRD-P 001/06)
- Specimen of applicant's personal data
- Specimen of graduation notification letter and job offer
- Specimen of employment agreement.

The unit of certification demonstrates the implementation of the employee recruitment procedure consisting of:

- Job application letter on behalf DSW (initials)
- Last education certificate
- Certificate/ ID Card
- Family card
- Interview result form
- Employee data
- *Nomor Pokok Wajib Pajak*
- Account number
- Specific Time Work Agreement No. 29/HRD/INC-KBN/I/2020
- Health Check Results

In addition, the certification unit also shows documentation of retired employees with the initials SKD (Security) who retired on June 7, 2020, working since April 26, 1999. The company has paid the pension through bank transfer on June 6, 2020.

Based on the results of document review, interviews with worker representatives (union and gender committee), it is known that employment procedures have been implemented and documented, such as documented employee recruitment, payment of wages and overtime in accordance with the provisions and there is an assessment of work performance. Based on the explanation above, it is known that the certification unit has implemented staffing procedures and the documents examined were found to be well maintained.

**Status: Comply**

### 3.6

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

#### 3.6.1

Evidence observed:

1. OSH Hazard and Risk Identification Document for estate with document number FRM-ISP-P001/02 which was approved on 16 February 2021. The document includes identification of hazards and potential risks for estate operational activities starting from land clearing to workshop.
2. OHS Hazard and Risk Identification Document for mill with document number FRM-ISP-P001/02 which was ratified on March 20, 2021. The document includes identification of hazards and potential risks for mill operational activities starting from office activities to evacuation of conditions emergency.
3. Based on field observations in the estate area show that there are still activities/conditions that have not identified potential hazards and risks, including but not limited to:
  - a. Antigonon fence using barbed wire (Estate 1 and 2).
  - b. Barbed fence in the immature area (Estate 1 and 2).
  - c. Harvest on extra high voltage (Estate 1) overhead lines.
  - d. Install the Oryctes net.
  - e. Storage of work tools (*dodos*) in employee housing.
  - f. Owl monitoring (*Tyto alba*).
  - g. Stand on the side of the tractor while loading the FFB.
  - h. Unclosed rotating machine.

The certification unit has not been able to show sufficient evidence that the document identification of the source of danger and risk control owned by the company has accommodated all activities/conditions that are a source of danger in the plantation and factory areas. **(Non-conformity No. 2021.02 with Major category)**

#### 3.6.2

Monitoring the effectiveness of the OHS plan in dealing with health & safety risks is carried out on a regular basis through monthly OHS Committee meetings that discuss OHS issues in the company. The following are some recordings of activities monitoring the effectiveness of the OHS plan through monthly OHS Committee meetings:

1. The OHS Committee meeting for the February 2021 period, which was held on February 18, 2021, took place in the mill meeting room and was attended by 10 OHS Committee administrators. The main topics of discussion at the meeting included: evaluation of work accidents, and emergency response procedures.
2. The OHS Committee meeting for the March 2021 period, which was held on March 15, 2021, took place in the mill

meeting room and was attended by 11 OHS Committee administrators. The main topics of discussion at the meeting included: the implementation of blood donors, the implementation of safety patrols, and the implementation of the 5R program.		
3. The OHS Committee meeting for the April 2021 period, which was held on April 12, 2021, took place in the mill meeting room and was attended by 13 Ohs Committee administrators. The main topics of discussion at the meeting included: anticipating the spread of the Covid-19 virus, discipline in using PPE when working and the importance of maintaining environmental cleanliness.		
3.6.1	Status: Non-conformity No. 2021.02 with Major category	
3.7		
All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.		
3.7.1.		
The company has employee training procedures, document number 004-SOP-HRD, which was approved by Chief Operation Officer on January 2, 2014. This SOP aims to ensure that the company has identified the needs for each employee and ensure that every employee of the company has received adequate training in accordance with their functions, duties and responsibilities.		
There is an analysis of the training needs of plantation employees for both staff and non-staff for the 2020 period, document number FRM-HRD P 004/001, which informs the work function, type of training and information.		
Based on the results of field observations and interviews with workers such as warehouse workers regarding handling pesticides, interviews with herbicide applicators regarding safe work practices and workers in workshops related to handling waste oil, it was found that the interviewed workers understood aspects related to their respective jobs respectively profession.		
3.7.2.		
The company shows the realization of employee training, including the following:		
<ul style="list-style-type: none"><li>• Emergency response training for June 2019.</li><li>• Socialization of protected animals in November 2019.</li><li>• Training program for Mill &amp; Estate Employees for the 2020 period that informs the training topics, participants, units, total employees, duration, months, descriptions and estimated costs, for example:<ul style="list-style-type: none"><li>- Training to increase technical competence and seedling management in January 2020.</li><li>- Training to increase understanding and awareness of OHS &amp; SOPs in January 2020.</li><li>- Firefighter training in March 2020.</li><li>- Technical and managerial competency training for Leaf Sampling Unit activities in October 2020.</li><li>- Standard and technical training on harvesting in October 2020.</li><li>- SOP planting training in October 2020.</li><li>- And so forth.</li></ul></li></ul>		
3.7.3		
The company demonstrates evidence of training for personnel performing important tasks for the effective implementation of the Supply Chain Certification Standard ("SCCS"), including the following:		
<ul style="list-style-type: none"><li>• SCCS socialization with Supplier and FFB Farmers, dated March 9, 2021, which discussed the prohibition of receiving FFB from conservation areas, the prohibition of clearing land by burning and the prohibition of receiving Illegal FFB, which was attended by 7 participants.</li><li>• SCCS training for Mill Security, weighing officers and sorting officers, on January 18, 2021, which was attended by 12 participants.</li><li>• Socialization of SCC to FFB Suppliers, on March 30, 2021, which was attended by 9 participants.</li></ul>		
	Status: Comply	
3.8		
Supply Chain Requirements for Mills		
3.8.1 and 3.8.2		
The Mill was used RSPO supply chain of Mass Balance module due to still received FFB from the out growers which has not been certified with RSPO. The Mill has conducted verification the volumes of certified and uncertified FFB entering the mill		

and sales volume of RSPO certified products.

### 3.8.3

Estimated certified product recorded in the last assessment report IC). The estimates of certified production for the next license period describe at ASA-1 & ASA-2 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

Products	Last Year Projected (28 May 2019 – 27 May 2020)	Extention Volume (28 May 2020 – 27 August 2021)	Actual (28 May 2019 – 27 May 2021)
FFB Certified (MT)	134,215	195,950	287,056.14
CSPO (MT)	41,712	26,853	60,528.68
CSPK (MT)	8,911	5,792	12,691.97

### 3.8.4

The mill has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Inecda Palm Oil Mill - PT Inecda
- License ID: CB87143
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000004128
- RSPO Membership Number: 1-0238-17-000-00 (S&G BIOFUEL PTE. LTD)
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

### 3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain (No. 016-SOP-POM, revision 04 dated 1 July 2020). These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

Based on interviews in Inecda POM note that the weighbridge operators understand the supply chain management system. It also known that training and refreshment (awareness) of supply chain management system were carried out annually.

### 3.8.6

In the procedure of RSPO Supply Chain (No. 016-SOP-POM, revision 04 dated 1 July 2020) it is explained that the internal audit activity for SCCS is carried out at least once a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 18-20 February 2021. Based on result of internal audit, concluded that all of SCCS indicators has been complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 30 March 2021. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process perform and product compliance, follow up of previous management review, actions taken regarding the findings and recommendation for improvement.

### 3.8.7

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 23 months before audit which is May 2019 – April 2021:

Month	FFB (ton)		Total
	Certified	Non Certified	
28-31 May 19	1116.93	206.91	1,323.84
Jun-19	10,092.78	1,251.72	11,344.50
Jul-19	12,876.07	3,789.85	16,665.92

Aug 19	13,196.76	4,164.53	17,361.29
Sep-19	13,652.04	3,136.16	16,788.20
Oct 19	14,666.59	2,376.17	17,042.76
Nov-19	11,569.79	2,522.73	14,092.52
Dec 19	11,299.59	4,007.24	15,306.83
Jan-20	10,691.80	4,015.74	14,707.54
Feb-20	10,138.82	2,342.90	12,481.72
Mar-20	9,486.04	4,034.24	13,520.28
Apr-20	9,916.88	5,168.04	15,084.92
May 2020	9,826.66	4,799.26	14,625.92
June 2020	12,344.12	4,383.21	16,727.33
July 2020	12,362.76	4,983.52	17,346.28
August 2020	13,676.23	2,743.44	16,419.67
Sept 2020	15,028.48	3,294.79	18,323.27
Oct 2020	13,876.67	3,530.59	17,407.26
Nov 2020	13,232.49	4,617.17	17,849.66
Dec 2020	12,389.96	3,198.21	15,588.17
Jan 2021	12,282.04	3,976.82	16,258.86
Feb 2021	10,910.50	1,176.19	12,086.69
March 2021	12,071.89	1,405.47	13,477.36
April 2021	12,138.17	1,393.13	13,531.30
May 2021	8,212.08	1,257.95	9,470.03
<b>Total</b>	<b>287,056.14</b>	<b>77,775.98</b>	<b>364,832.12</b>

From the results of the document review, PT Inecda has an area of 135.65 Ha which is non-certified because the area is in the process of obtaining HGU. The auditor made observations on the border between the certified area and the non-certified area which is still within 1 planting block, for example in blocks E9 and E11 Division 2 Estate 1, the company has made boundary markings with signposts and also red paint on oil palm trees and has arranged a special harvest rotation in the non-certified area so that the harvesting process is different from the certified area. If harvesting is carried out in a non-certified block, then the FFB delivery document is marked with "BS" which means non-certified FFB. Then Inecda POM will register the FFB into a non-certified source. Regarding the separation mechanism between FFB from certified areas and non-certified areas, it has been regulated in Work Instruction No: 01-WIN-AGR, dated 1 January 2019.

Estimated certified product recorded in the last assessment report IC). Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected (28 May 2019 – 27 May 2020)	Extention Volume (27 May 2020 – 27 August 2021)	Actual (28 May 2019 – 27 May 2021)
FFB Certified (MT)	134,215	195,950	287,056.14
CSPO (MT)	41,712	26,853	60,528.68
CSPK (MT)	8,911	5,792	12,691.97

Regarding the projected overproduction of certified volume, the company can show evidence that it has sent a letter of request for additional quota to CB and approved for the additional volume on 27 April 2021.

Related for handling non-conforming oil palm products, has been set in the SOP of Complaint Handling (No. 007-SOP-HRD Rev 01 dated 15 January 2018). This procedure is generally applied to all complaints aspects, including complaints and non-conforming products from customers/buyers.

### 3.8.8

The mill has product information provided in such as document of contract agreement, delivery order, delivery ticket, report of loading, weighbridge ticket and other invoices, as example at invoices of CSPO certified delivery on 22 May 2021 for 27.69 ton. The information provided on invoices are:

- The name and address of the buyer (PT Sari Dumai Sejati – Lubuk Gaung);
- The name and address of the seller (PT Inecda – Inecda POM in Indragiri Hulu)
- The loading or shipment / delivery date (22 May 2021);



- A description of the product supply chain model (Mass Balance)
- The date on which the documents were issued (22 May 2021);
- The quantity of the products delivered (27.69 ton);
- Any related transport documentation (transport by PT Wijaya Multi Prima Lestari);
- A unique identification number (AIC202105000294);
- RSPO certificate number (Mutu-RSPO/132);
- etc.

### 3.8.9

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of certified products (CPO and PK) is outsourced to the third parties. Currently, there are 7 contractors for CPO and PK transport, for instance as shows through several Work Agreement as follows:

- Agreement with CPO Transporter of CV Liliana Jaya Sejati No. 38/KPPCPO/GH/MKT/CV.LJS/VI/2020 dated 1 June 2020, valid thru 31 May 2021.
- Agreement with PK Transporter of PT Cahaya Timur Sarana Mandiri No. 37/KPPPK/GH/MKT/PT.CTSM/VI/2020 dated 1 June 2020, valid thru 31 May 2021.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules. For instance, the responsibility to deliver products only from Inecda Mill, as well as the willingness to observe by Certification Body and the company internal audit in order to verify the compliance. One of the mechanisms to ensure that the products delivered only from the Mill, in the vehicle is mounted on a seal that can only be opened at the buyer's location.

### 3.8.10 and 3.8.11

The Mill has the record of details of the contractors, covers the contractor's company profile, address, contact person, email and phone number, contract agreement and period, and list of vehicles. The following are the details of the transporters in collaboration with the company:

No.	Contractors Name	Commodity	
1	PT Sumatera Sarana Sekar Sakli (PT SSSS)	CPO	PK
2	PT Wijaya Multi Prima Lestari (PT WMPL)	CPO	PK
3	CV Liliana Jaya Sejati (CV LJS)	CPO	
4	CV Mestka Jaya (CV MJ)	CPO	
5	PT.Cahaya Timur Sarana Mandiri (PT CTSM)		PK
6	CV Shaqila Artha Jaya (CV SAJ)		PK
7	CV Mitra Sarana Sejahtera (CV MSS)		PK

### 3.8.12

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales.

The Mill has SOP of Supply Chain RSPO No. 016-SOP-POM, revision 04 dated 1 July 2020, stated that all records shall be kept minimum for 5 (five) years. To the auditors the company can show all the required documents covering all aspects of this RSPO Supply Chain Certification Standard requirements such as record of certified product shipping, sales contract, delivery order / invoice, production report and product sales. Based on document review known that the mill still kept the document according to the procedure.

For instance record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 28 May 2019 up to 27 May 2021:

Period	CPO (ton)		Total	Period	CSPO Despatch (ton)			Total
	Certified	Non Certified			RSPO	Other Scheme	Non Certified	

28 May 2019 to 27 May 2021	60,528.68	17,025.61	77,554.30	28 May 2019 to 27 May 2021	58,277.90	0.00	1,853.81	60,131.17
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Period	PK (ton)		Total	Period	CSPK Despatch (ton)			Total
	Certified	Non Certified			RSPO	Other Scheme	Non Certified	
28 May 2019 to 27 May 2021	12,691.97	4,373.74	17,065.70	28 May 2019 to 27 May 2021	12,410.52	0.00	131.34	12,683.37

### 3.8.13 and 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the last year actual certified volume are OER 20.50% and KER 4.49%. Periodically update of extraction is actual extraction.

### 3.8.15

SCSS module used in Inecda POM is Mass Balance (MB), because the mill receives FFB from the estate and from third party that non-certified RSPO.

### 3.8.16

RSPO IT Platform member registration number for Inecda Palm Oil Mill is RSPO\_PO1000004128. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch. For example:

- Certified CPO sold to PT Sari Dumai Sejati dated 16 January 2021 for 249.69 MT and transaction creates in IT Palm Trace dated 2 February 2021.
- Certified PK sold to PT Pelita Agung Agrindustri – Kernel Crushing Plant dated 21 January 2021 for 100 MT and transaction creates in IT Palm Trace dated 2 February 2021.

### Removing Stock

For the CSPO and CSPK that sold as other scheme or conventional, the company has removing the stock from the palm trace or sell as credits, as example:

- Removing stock of CSPK dated 2 June 2020 for 131 MT (transaction ID: ST-TR-192f2fe2-b057).
- Credit Allocation of CSPO dated 1 March 2021 for 723 MT (transaction ID: ST-TR-67a0e5b6-4683).

### 3.8.17

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.

**Status: Comply**

## PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

### 4.1

**The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.**

#### 4.1.1

- The company has a Human Rights Policy of PT Gandaerah Hendana and PT Inecda, which was signed by the Director of Operations on 17 February 2020.
- The company has shown evidence of socialization to the worker, including through new employee orientation activities.
- Interview results with contractor CV Murah Rizki revealed that the contractor had not received any socialization on human rights policies.
- The company has not been able to show documentary evidence of the socialization of the Human Rights Policy to the supply chain (contractors, suppliers, etc.) and the local community.

Based on the explanation above, there is no evidence that the policy to respect human rights has been communicated to the supply chain and local communities. This is a non-compliance with **Non-conformity No. 2021.03 Major Category.**



#### 4.1.2

Based on the results of interviews with management, interviews with stakeholders such as village representatives, representatives of workers and related agencies, it was found that the certification unit did not initiate acts of violence or any form of intimidation in its operations.

The company cooperates with Delta Guard (outsourcing security), as a third party to carry out security duties that are legally recognized in its operations and prohibit acts of interference (nuisance) and extra-judicial intimidation by private security officers referred to above. on. There is no use of security forces (TNI/POLRI).

#### 4.1.1

**Status: Non-conformity No. 2021.03 Major Category**

#### 4.2

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

##### 4.2.1

The company shows the External Party Complaints Procedure, document number 005-SOP-LGL, Revision number 00, effective date 1 September 2020 and ratified by COO and CEO. The procedure has outlined several systems related to resolving disputes, complaints and complaints effectively, timely and properly, which are briefly explained as follows:

- The complainant can ask the company to keep his/her identity confidential
- The company will maintain anonymity/identifying information
- Provide protection to complainants, human rights defenders, community representatives and also to whistleblowers/reporters.
- The company will try to prevent any retaliation or intimidation that will be carried out by the company in any form.

In addition, the company also has a Grievance Handling Procedure, document number 007-SOP-HRD, revision number 01, effective date of January 15, 2018 which was approved by the COO. These procedures, among others, also explain the protection of the identity and security of the reporter. If the settlement at level 3 has not been reached, then the parties can take it to the RSPO Complaints System (RSPO Complaints System).

The company demonstrated the socialization of conflict resolution mechanisms, which were shown as follows:

- Minutes of Socialization of the SOP for External Party Complaints Procedure, dated August 10, 2021 in Hamlet II, Sibabat Village.
- Minutes of Socialization of the SOP for External Party Complaints Procedure, dated August 3, 2021 at the PT Inecda Head Office Hall.

In general, all field staff (assistant managers) and worker supervisors conduct a direct role in managing the handling of worker complaints. Based on the results of interviews with workers and workers' representatives (trade unions and gender committees), it was stated that complaints can be submitted to their direct superiors, also to the trade unions or to the gender committee (specific complaints for women's problems).

##### 4.2.2

The company has a Complaints Procedure for External Parties, document number 005-SOP-LGL, effective 1 September 2020, but does not include procedures to ensure that the system is understood by affected parties, including those who cannot read and write. Based on the results of interviews with management, it is known that there is no procedure in place to ensure that the system is understood by affected parties, including those who cannot read and write.

Based on the explanation above, there is no evidence that there is a procedure in place to ensure that the system is understood by affected parties, including those who cannot read and write. This is a non-compliance with **Non-conformity No. 2021.04 with Minor Category**.

##### 4.2.3

As has been explained in the previous indicator, that the company already has an External Complaints Procedure and External Conflict Handling Procedure (document number 003-SOP-LGL, revision number 01, effective date January 15, 2018). Based on these documents, it is explained that the certification unit will also inform the parties about the progress of

handling complaints, including the agreed time frame, and the results are available and communicated to relevant stakeholders through Public Relations, namely by informing about the progress or progress of the complaints submitted by affected parties.

#### 4.2.4

The company shows the External Party Complaints Procedure, document number 005-SOP-LGL, Revision number 00, effective date 1 September 2020 and ratified by COO and CEO. The procedure has outlined several systems related to the resolution of disputes, complaints and complaints in an effective, timely and appropriate manner. Including conflict resolution mechanisms to obtain legal and technical assistance from independent parties, where the reporting party has the freedom to choose people or groups who can support it and/or act as observers. The parties may choose the option of involving a third party mediator. This is explained in point 6.6 for handling complaints, where it is stated that problem resolution through mediation forums involves a neutral third party and does not take sides with one of the disputing parties. Third parties who act as mediators can come from local government institutions, religious leaders, customary/traditional institutions, NGOs and other people, as long as they are accepted by both parties. For the mediator, there can be more than one third party invited to the mediation forum as long as both parties agree.

**4.2.2 Status: Non-conformity No. 2021.04 with Minor Category**

#### 4.3

**The unit of certification contributes to local sustainable development as agreed by local communities.**

##### 4.3.1

The company has contributed to community development in terms of infrastructure, religion, community empowerment, education, youth and sports, social culture and local wisdom, and health & environment. Companies can show their contributions to the community around the 2020 period, for example:

- Heavy equipment assistance for road repairs in Titian Resak Village which was held on September 28, 2020.
- Heavy equipment assistance for road repairs in Tani Makmur Village which was held on December 20, 2020.
- Heavy equipment assistance for road repairs in Bukit Petaling Village which was held on December 5, 2020.
- Ditch cleaning assistance in Petalongan Village which was carried out in February 2020.
- Sewing Training for the community in 6 villages on October 6, 2020.
- Knitting Training in Petalongan Village which was held on November 17, 2020.
- Assistance for Teachers of the Islamic Mission Foundation (YMI).
- Library Book Assistance to Petalabumi Village on 27 August 2020.

**Status: Comply**

#### 4.4

**Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).**

##### 4.4.1

The total area of PT Inecda's RSPO certification scope is **8,828.3755 Ha** with the following details:

1. Decree of the Minister of Agrarian Affairs / Head of the National Land Agency No: 42/HGU/BNP/99 dated 28 April 1999 concerning the Granting of Cultivation Rights on behalf of PT Inecda. The decree granted PT Inecda a HGU permit for an area of  $\pm 3,108.147$  hectares of State land located in Pasir Penyu District and Simpang Kelayang District, Indragiri Hulu Regency, Riau Province.
  - HGU certificates No. 19 of 2000 are located in the villages of Talang Parit, Pasir Bongkal and Petalongan. Published on October 26, 2000 in accordance with the Letter of Measurement No. 04/Kab. Inhu/2000 dated October 24, 2000 with an area of 3,108.147 Ha and valid until June 29, 2034. The certificate was issued by the Head of the Indragiri Hulu Regency Office. Based on physical measurements on September 14, 2004, the area of HGU was reduced by 22.661 Ha to 3,085.486 due to overlapping with PTPN V HGU. Then based on the deed of relinquishment of rights with compensation No. 84 to 102 dated 28 September 2016, the HGU area was reduced again by 4,525 M<sup>2</sup> (0.4525 Ha) so that the remaining HGU area became **3,085.0335 Ha**.
2. Decree of the Head of the National Land Agency No. 01/HGU/1991 dated January 02, 1991 regarding the Granting of Cultivation Rights on behalf of PT Inecda. The decree grants a HGU permit to PT Inecda on  $\pm 7,500$  Ha State land located in Sungai Parit Village, Pasir Penyu District and Belilas Village, Siberida District, Indragiri Hulu Regency, Riau Province, valid until 31 December 2020 and can be extended with a maximum period of 25 years.
  - HGU Certificate No. 1 of 1992 is located in Sungai Parit Village, Petala Bumi. Published on April 1, 1992 in accordance with the Letter of Measurement No. 606/1992 dated April 1, 1992 with an area of 6,357.9 Ha. The

certificate is issued by the Head of the Indragiri Hulu Regency Office. Then based on the deed of relinquishment of rights with compensation No. 67 to 83 dated 28 September 2016, the HGU area was reduced by 4,432 M<sup>2</sup> (0.4432 Ha) so that the remaining HGU area became 6,357.4568 Ha. This certificate has expired on December 31, 2020.

- Then there is the Decree of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No: 29/HGU/KEM-ATR/BPN/IV/2021 dated April 29, 2021 concerning Extension of the Term of Cultivation Rights on behalf of PT Inecda in Indragiri Hulu Regency, Riau Province which decided to grant PT Inecda an extension of the period of HGU over a total land area of **5,743.3420 Ha**. This area is reduced by 579,1125 Ha from the cadastral re-measurement area of the previous HGU which has expired on December 31, 2020 with the following details:
  - a) An area of 90.7676 ha for the area controlled by the community
  - b) An area of 217.4280 ha overlaps with HGU No. 19 year 2000
  - c) An area of 12.4804 ha for the river area (river body)
  - d) An area of 0.4432 ha for the PLN Sutet tower site area
  - e) An area of 207.1883 ha for areas indicated to be in Convertible Production Forests (HPK)
  - f) An area of 50.8050 ha for areas indicated to be in the Water Catchment Protected Area (KLRA)
- The registration process for obtaining a HGU certificate to the land office is in progress until this audit is carried out.

From the results of the document review and field observations, the following evidences were found:

- HGU Certificate Number 1 of 1992 dated April 1, 1992 with an area of 6,357.4568 Ha has expired on December 31, 2020.
- Then there is the Decree of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No: 29/HGU/KEM-ATR/BPN/IV/2021 dated April 29, 2021 concerning Extension of the Term of Cultivation Rights on behalf of PT Inecda in Indragiri Hulu Regency, Riau Province which decided to grant PT Inecda an extension of the period of HGU over a total land area of **5,743.3420 Ha**. This area is reduced by 579.1125 Ha from the cadastral re-measurement area of the previous HGU which has expired on December 31, 2020 with the following details:
  - a) An area of 90.7676 ha for the area controlled by the community
  - b) An area of 217.4280 ha overlaps with HGU No. 19 year 2000
  - c) An area of 12.4804 ha for the river area (river body)
  - d) An area of 0.4432 ha for the PLN Sutet tower site area
  - e) An area of 207.1883 ha for areas indicated to be in Convertible Production Forests (HPK)
  - f) An area of 50.8050 ha for areas indicated to be in the Water Catchment Protected Area (KLRA)
- Based on field visits to the issued areas and based on the indicated operational map of PT Inecda, it is known that the indicated areas are in Convertible Production Forests (HPK), namely in block A16 Division 7 Estate 2 and those indicated are in The Water Catchment Protected Area (KLRA), which is in block A17 Division 7 Estate 2, is already planted with oil palm and is still under the management of PT Inecda, so that at the time of this surveillance audit, the area no longer has any land rights.
- The company showed that for areas indicated as being included in convertible Production Forest (HPK) areas, the process for submitting HPK releases has been carried out since 2016 to the Ministry of Environment and Forestry of the Republic of Indonesia and has obtained a recommendation of ±1,288 hectares of area that can be released from The Integrated Team for Applications for the Release of Convertible Production Forest Areas in May 2019, however, until this audit took place, the issuance of the Decree for the Release of HPK has not yet been published and is in process.

Based on this evidence, it is concluded that there is an area that is still under the management of PT Inecda covering an area of ± 257.9933 Ha that does not have legal documents showing legal land use rights. **This is a Non-conformity No. 2021.05 with Major category.**

#### 4.4.2 and 4.4.5

Based on the results of interviews with management, information was obtained that the clearing of the area was carried out in 1988. The unit of certification (Samsung & Ganda Biofuel) took over the company from its previous ownership. At that time the area of PT Inecda was forest with little community land ownership. PT Ganda Sawit Utama as the previous owner has been operating since 1984. The history of HGU acquisition is as follows:

- HGU 1: is a take over of Samsung & Dual Biofuel from PT Inecda in 2011.
- HGU 2: is former PTPN V land, that has been returned to the government.

Based on interview with representative of surrounding village (Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village), it is known that there are no indigenous rights, the lands in surrounding area is individualized owned.

However, from the results of the document review, there is a record of compensation that has been completed/compensated by the company on June 25, 2015 for an area of 42 ha located in block G9; G10; G11; G12 in PT Inecda's HGU with giving a *saguh hati* for residents who have Land Ownership Certificates (SKT) at that location amounting to 20 million per SKT for a total of 100 million. The original SKT was handed over to PT Inecda. SKT recipients: Widarti, Saiban, Sarman, Legimin and Dumro. There is evidence of settlement in the form of:

- Minutes of agreement on land dispute settlement with the knowledge of the Chairman of the DPRD of Indragiri Hulu Regency, the Sub-District of Sungai Lala and the Head of the Perkebunan Sungai Parit Village.
- Minutes of the meeting on 17 June 2015 took place in the chairman's room of the DPRD Indragiri Hulu with the agenda of a land claim mediation meeting by Dumroh and his friends with PT Inecda.
- Meeting participants: chairman of the DPRD of Indragiri Hulu Regency, Public Relations of PT Inecda (Joko Dwiyono), employees of PT Inecda (Misran), SKT holders (Dumroh), SKT holders/community leaders and representing SKT owners (Sarman) of 20 million per SKT.
- The results of the meeting: the residents agreed that the company should give the SKT owner 20 million per SKT certificate; if the company agrees with the payment above, a report of dispute resolution will be made.

The company has shown evidence that the compensation document was known to the local government (village and sub-district) and all parties signed it. In the settlement of compensation in a group nature, representatives are usually appointed to resolve problems with the company. The entire compensation process is carried out in Bahasa and the party involved in the negotiation process is the party concerned.

#### 4.4.3

The company can show a map showing legal rights in the form of a HGU boundary map with a scale of 1: 50,000 contained in the HGU certificate issued by the Land Office. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village, it is recognized that they know the legal boundaries owned by PT Inecda.

#### 4.4.4

Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There was the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants list and photographs. All land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. All relevant information regarding land acquisition is available in appropriate forms and languages.

#### 4.4.6

Based on the results of interviews with stakeholders (Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village), it was informed that the company has had a positive impact such as employee recruitment and CSR assistance. There are no land conflicts between the community and the company, besides that the company regularly holds meetings with community representatives and absorbs community aspirations which are applied in company policies such as CSR or other assistance. Communication with the community is no problem, every request for information is always responded to by the company.

#### 4.4.1 Status: non-conformity No. 2021.05 with Major category

#### 4.5

**No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

#### 4.5.1 to 4.5.8

There is no land expansion activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There was the records of the process of collecting

information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.

**Status: Comply**

#### 4.6

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

##### 4.6.1

The company has procedure of Land Acquisition and Compensation, document No. 001-SOP-LGL dated 2 January 2014 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that they know about the procedure through the socialization given and they agree with the procedure.

##### 4.6.2

The company has procedure of Land Acquisition and Compensation, document No. 001-SOP-LGL dated 2 January 2014. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

##### 4.6.3

The company has procedure of Land Acquisition and Compensation, document No. 001-SOP-LGL dated 2 January 2014. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and given an equal opportunity to both men and women.

##### 4.6.4

Based on interview with representative of surrounding village (Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village), it is known that there are no indigenous rights, the lands in surrounding area is individualized owned.

However, from the results of the document review, there is a record of compensation that has been completed/compensated by the company on June 25, 2015 for an area of 42 ha located in block G9; G10; G11; G12 in PT Inecda's HGU with giving a *saguh hali* for residents who have Land Ownership Certificates (SKT) at that location amounting to 20 million per SKT for a total of 100 million. The original SKT was handed over to PT Inecda. SKT recipients: Widarti, Saiban, Sarman, Legimin and Dumro. There is evidence of settlement in the form of:

- Minutes of agreement on land dispute settlement with the knowledge of the Chairman of the DPRD of Indragiri Hulu Regency, the Sub-District of Sungai Lala and the Head of the Perkebunan Sungai Parit Village.
- Minutes of the meeting on 17 June 2015 took place in the chairman's room of the DPRD Indragiri Hulu with the agenda of a land claim mediation meeting by Dumroh and his friends with PT Inecda.
- Meeting participants: chairman of the DPRD of Indragiri Hulu Regency, Public Relations of PT Inecda (Joko Dwiyono), employees of PT Inecda (Misran), SKT holders (Dumroh), SKT holders/community leaders and representing SKT owners (Sarman) of 20 million per SKT.
- The results of the meeting: the residents agreed that the company should give the SKT owner 20 million per SKT certificate; if the company agrees with the payment above, a report of dispute resolution will be made.

The company has shown evidence that the compensation document was known to the local government (village and sub-



district) and all parties signed it. In the settlement of compensation in a group nature, representatives are usually appointed to resolve problems with the company. The entire compensation process is carried out in Bahasa and the party involved in the negotiation process is the party concerned.

**Status: Comply**

#### 4.7

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.**

##### 4.7.1

The company has a procedure in place to identify people and/or community groups entitled to compensation presented in document No. 001-SOP-LGL dated 2 January 2014. The procedure is describe how to identify people and/or community groups entitled to compensation. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

##### 4.7.2

The company has procedure of Land Acquisition and Compensation, document No. 001-SOP-LGL dated 2 January 2014. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that they know about the procedure through the socialization given and they agree with the procedure and they can access the procedure through management representative of the company if they need it.

##### 4.7.3

The company can show recapitulation of previous landowners who have been compensated. Based on public consultation with village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village, the communities that have lost access and rights to land also provided opportunities to benefit from plantation development such as benefit in the form of CSR program.

**Status: Comply**

#### 4.8

**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.**

##### 4.8.1

Based on interview with representative of surrounding village (Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village), it is known that there are no indigenous rights, the lands in surrounding area are individualized owned.

However, from the results of the document review, there is a record of compensation that has been completed/compensated by the company on June 25, 2015 for an area of 42 ha located in block G9; G10; G11; G12 in PT Inecda's HGU with giving a *saguh hati* for residents who have Land Ownership Certificates (SKT) at that location amounting to 20 million per SKT for a total of 100 million. The original SKT was handed over to PT Inecda. SKT recipients: Widarti, Saiban, Sarman, Legimin and Dumro. There is evidence of settlement in the form of:

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- Minutes of the meeting on 17 June 2015 took place in the chairman's room of the DPRD Indragiri Hulu with the agenda of a land claim mediation meeting by Dumroh and his friends with PT Inecda.
- Meeting participants: chairman of the DPRD of Indragiri Hulu Regency, Public Relations of PT Inecda (Joko Dwiyo), employees of PT Inecda (Misran), SKT holders (Dumroh), SKT holders/community leaders and representing SKT owners (Sarman) of 20 million per SKT.
- The results of the meeting: the residents agreed that the company should give the SKT owner 20 million per SKT certificate; if the company agrees with the payment above, a report of dispute resolution will be made.

The company has shown evidence that the compensation document was known to the local government (village and sub-district) and all parties signed it. In the settlement of compensation in a group nature, representatives are usually appointed to resolve problems with the company. The entire compensation process is carried out in Bahasa and the party involved in the negotiation process is the party concerned.

#### **4.8.2 and 4.8.4**

Based on public consultation with related government agencies of Indragiri Hulu District and village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that there is no land dispute case for the last 1 years until this assessment conducted in PT Inecda. During field visit, auditor observe random area and not sighted land dispute area, but there are still areas of the company that are still occupied by the community.

Based on the area statement review, there is still an occupied area of 232.44 Ha in the HGU area of PT Inecda and this is not a dispute because the company and the party carrying out the occupation do not interfere with each other. Based on an interview with the management of PT Inecda, it was informed that the occupation area will be removed at the time of the extension of the HGU. Things like this have been done at the time of renewal of the HGU certificate No. 1 of 1992 where the Decree on the Extension of the new HGU has issued an occupation area controlled by the community covering an area of 90.76 Ha. The remaining occupied areas are located in the HGU area of PT Inecda with HGU certificate No. 19 of 2020 which will expire on June 29, 2034.

#### **4.8.3**

No evidences show that there is any acquisition process trough dispossession or forced abandonment. Based on public consultation with related government agencies of Indragiri Hulu District and village representatives from Sibabat Village, Sei Parit Village, Tani Makmur Village, Petalongan Village and Pematang Jaya Village known that all land acquisition between local people and company representatives conducted as mutual agreement and the compensation process are done directed to the land owner and not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.

<b>Status: Comply</b>
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### **PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

#### **5.1**

**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**

##### **5.1.1 until 5.1.4**

Based on the document review, it is known that the company does not receive FFB directly from farmers but from agents whose FFB comes from farmers in several villages, so the company does not apply the FFB price set by the Plantation Office.

The mechanism for determining the FFB Price between the Company and the Agent is determined by the Company. In determining the price of FFB, the Company considers the price of FFB from nearby companies and the Average Bunch Weight (BJR) of FFB. FFB pricing is done 2 times a week.

Companies can show examples of FFB pricing for the period 28 April-30 April 2021, namely:

- Big Fruit with average weigh 10 kg up = Rp 1,970
- Medium Fruit with average weigh 8 - 9.99 kg = IDR 1,890
- Small Fruit 6 - 7.99 kg = Rp 1,810

The price is informed to the Agent through oral, written or SMS/WA. The schedule for Notification of FFB Prices to Agents is as follows:

- Period Monday to Wednesday will be informed on Sunday.
- The period from Thursday to Saturday will be informed on Wednesday.

Based on interviews with agents, namely Bukit Karang Sawitri and Nuryani, it is known that the price of FFB is determined by the company by considering the average length of FFB (BJR) of FFB and prices from surrounding companies. The

determination of the price has also been explained in the cooperation contract. In addition, based on field visits to the Inecda POM area, it was found that FFB prices were available in the information media in the Mill area.

**5.1.5 & 5.1.6**

The company can show several cooperation agreements with Smallholders who supply FFB, for example cooperation agreements with Bukit Karang Sawitri and Buryani. The agreements are as follows:

- Sale and Purchase Agreement of Oil Palm Fresh Fruit Bunches (FFB) with Nuryani (under the name DO: Nuryani) on January 4, 2021 with a validity period of 2 years. In the agreement, the obligations and rights discussed in the agreement include ensuring that the FFB sent does not come from theft, FFB produced from nucleus plantations and plantations of other companies fostered by other companies, FFB does not come from plantations located in Tesso Nilo protected forest areas or conservation forests other matters, quality of goods, procedures for delivery of goods, sorting and sanctions, supervision and acceptance of goods, prices, payments, OHS conditions, legal status, force major and others.
- Sale and Purchase Agreement of Oil Palm Fresh Fruit Bunches (FFB) with Subani (under the name DO: Bukit Karang Sawitri) on January 4, 2021 with a validity period of 2 years. In the agreement, the obligations and rights discussed in the agreement include ensuring that the FFB sent does not come from theft, FFB produced from nucleus plantations and plantations of other companies fostered by other companies, FFB does not come from plantations located in Tesso Nilo protected forest areas or conservation forests other matters, quality of goods, procedures for delivery of goods, sorting and sanctions, supervision and acceptance of goods, prices, payments, OHS conditions, legal status, force major and others.

Based on the results of the document review, it is known that the contract made is in accordance with the rules by considering the principles of justice, applicable law, transparency and there is a validity period of Cooperation.

Companies can show proof of FFB payments, including:

- Proof of FFB payment for the period of 20-22 May 2021 to the Supplier on behalf of Nuryani, a payment of 299,510 kg of fruit was made on 25 May 2021 (Reference Number 9151000553). Payment has been in accordance with the pricing.
- Proof of payment of FFB for the period 19-20 March 2021 to the Supplier on behalf of Subani, payment of 16,310 kg of fruit was made on April 9, 2021 (Reference Number 9151000410). Payment has been in accordance with the pricing.

**5.1.7**

The company routinely performs maintenance and periodic checks of the scales carried out by the UPT Metrology Legal, Trade and Industry Office, Pekanbaru City Government. The results of the last periodic testing were carried out on:

- The 2019 examination was conducted on September 16, 2019 as indicated by a certificate of examination result no: 700/DPP/UPT.1.2/337/IX/2019.
- The 2020 examination conducted on September 25, 2020 is indicated by a certificate of examination results no: 510.3/Disperindag/uptd260/91/IX/2020.

Based on the evidence above, it is known that the company has routinely carried out verification and periodic checks on its weighing equipment.

**5.1.8**

The company does not directly receive FFB from Independent Farmers. The FFB comes from the supplier (Agent) whose origin FFB comes from independent farmers. Currently the company has made efforts to establish/build a Plasma Estate. The development process until this assessment is carried out is still in the process of socializing to the surrounding village community.

**5.1.9**

The company already has a complaint handling mechanism for farmers or other external stakeholders which is contained in the External Conflict Handling procedure No. 003 – SOP – LGL dated January 2, 2014. The system that runs in the company is by documenting every complaint that comes in by recording it in the Complaint Logbook. and Complaints. Based on the results of the verification of the external complaint logbook document, it is known that there were no complaints from farmers during 2020.



	<b>Status: Comply</b>	
<b>5.2</b> <b>The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.</b>		
<b>5.2.1; 5.2.2; 5.2.3; &amp; 5.2.5</b> The certification unit does not directly receive FFB from Independent Farmers. The FFB comes from the supplier (Agent) whose origin FFB comes from independent farmers. Currently the company has made efforts to establish/build a Plasma Estate. The development process until this assessment is carried out is still in the process of socializing to the surrounding village community. Reports on the development of plasma plantations carried out by the company are included in the Company's CSR report.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS</b>		
<b>6.1</b> <b>Any form of discrimination is prohibited.</b>		
<b>6.1.1.</b> The Certification Unit shows the No Deforestation, No Peat, No Exploitation (NDPE) Policy document signed by the Chief Operational Officer, Chief Financial Officer, and Chief Executive Officer on 2 May 2019. At point 3.3. There is no exploitation, discrimination and sexual harassment against workers, women and children, indigenous peoples and other communities. The NDPE policy has been socialized to all employees on August 6, 2019.  Based on the results of field observations, interviews with workers, interviews with worker unions and gender committees as well as the results of consultations with the labor office, it is known that the certification unit has implemented policies related to non-discrimination and equal opportunity, such as employees who work vary from race / ethnicity, religion, gender, educational background, etc.  <b>6.1.2.</b> Based on the results of interviews with workers, interviews with internal stakeholders, interviews with representatives of surrounding villages and interviews with the Manpower Office, it is known that workers come from surrounding villages (local residents) and workers who come from outside the area.  Based on the results of document review and interviews with management, it is known that the company does not recruit collectively from other provinces. Workers from other provinces individually and voluntarily come to look for jobs recruited by this company. In addition, they also get information from their relatives if the company opens a job vacancy. Based on the results of interviews with the Manpower Office, it is known that the workforce comes from surrounding villages and workers who come from outside the region individually and do not go through the AKAD (Inter-Regional Work Force) procedure.  <b>6.1.3.</b> The unit of certification shows evidence of implementation of the recruitment procedures, for example: <ul style="list-style-type: none"> <li>• Job Application Letter on behalf DSW (initials)</li> <li>• Last education certificate</li> <li>• Certificate/ ID Card</li> <li>• Family card</li> <li>• Interview result form</li> <li>• Employee data</li> <li>• <i>Nomor Pokok Wajib Pajak</i></li> <li>• Account number</li> <li>• Specific Time Work Agreement No. 29/HRD/INC-KBN/II/2020</li> <li>• Health Check Results</li> </ul> <b>6.1.4</b> Based on the results of the review of employee recruitment documents, it was found that there was no obligation for		

prospective female workers to take a pregnancy test. All female workers who were met and interviewed by the auditors during field observations explained that at the time of hiring employees they did not take a pregnancy test, only did a physical health test, administration and interviews.

**6.1.5.**

The company shows the organizational structure of the PT Inecda Gender Committee along with their respective authorities, duties and responsibilities, updated February 15 2021, which briefly consists of advisor, coach, chairperson, deputy chairman, secretary I, secretary II, treasurer, empowerment, field services/consultation, law, counseling and health. In the organizational structure, it consists of female workers and male workers from representatives of all fields of work.

The gender committee has also prepared a work program for 2021, which includes socialization related to laws governing gender equality. In addition, socialization related to gender committee job descriptions and anticipation of sexual harassment in the workplace. Based on the results of document review and interviews with representatives of the gender committee, it is known that the gender committee has programs and activities that focus on equality, prevention of harassment and implementation of reproductive rights. However, due to the high level of the Covid-19 pandemic in the company's environment, meeting activities are minimized in order to stop the spread of Covid-19.

Based on the results of interviews with representatives of the Gender Committee, it is known that there have been incidents of sexual harassment or domestic violence, but the victims and perpetrators resolved themselves by resigning. The gender committee conducts socialization to women workers and the community in housing through morning briefings, posyandu activities and other housing activities and provides menstrual leave with a mechanism to report to the foreman and will be examined at the polyclinic.

The representative of the gender committee also explained that in terms of employment there is no difference between male and female workers. Every worker has the same rights in terms of employment opportunities.

**6.1.6.**

Regarding pay equivalence for the same scope of work, the company has a compensation procedure, dated January 2, 2014, which aims to ensure that employees receive compensation in accordance with the laws and regulations applicable in the company, and compensation is given in accordance with the work function, position or rank of the employee.

Based on the results of interviews with management, it was explained that the implementation of wage payments did not discriminate based on gender, it was explained that this wage increase provision applies to all employees. The unit of certification also shows documentation of payment of salaries of SKU and PKWT employees. Where the payment of wages is in accordance with applicable regulations.

<b>Status: Comply</b>
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**6.2**

**Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**

**6.2.1.**

Wages documentation is available, which are shown as follows:

- CLA Article 27 concerning Wages, it is explained that Employers provide decent wages to employees in accordance with the company's ability with the provision that wages are not lower than the minimum wage for the plantation sector set by the Governor/Head of the Province.
- Riau Governor Decree number Kpts 1581/XI/2020, dated November 20, 2020, which stipulates the minimum wage for Regency/cities in Riau Province in 2021. For Indragiri Hulu Regency it is Rp. 3,082,808,81.
- Determination of the Wage Structure and Scale of PT Inecda in 2021, which explains the level, grade, class and scale of wages. Based on these documents, it is known that the lowest wage is Grade 1 Group 1 of Rp. 3.082.809,-.
- Sample Pay Slip on behalf of SS (initial) for the period April 2021 with job title clerk of the bookkeeping, grade G2 and group 2C, work entry date January 2, 2008, earning a basic salary of Rp. 3,629,809,-.
- Sample Pay Slip on behalf of PA (initial) April 2021 period with job title clerk transport technique, grade G1 and group 1, work entry date May 2 2018, earns a basic salary of Rp. 3.111.809,-.
- Sample Pay Slip on behalf of AN (initial) for the period April 2021 with job title of upkeep worker Afdeling X (contract), grade G1 and group 1, date of work 8 March 2021, earning a basic salary of Rp. 3.082.809,-.

Based on the results of interviews with workers and workers' representatives (labor unions and gender committees), it is known that employees have understood several points mentioned in the employment agreement and CLA, such as those related to wages, social security and so on.

Based on interviews with unions and workers, it was explained that the certificate holder had paid wages in accordance with the minimum wage set by the government and there were no problems regarding payment or worker welfare.

#### 6.2.2.

There is a Collective Labor Agreement that has been registered based on the Decree of the Head of the Riau Province Manpower and Transmigration Office, number Kpts 191/II/2021, dated February 9, 2021, with registration number 01/HIPK/PKB/II/2021. The PKB regulates detailed wages (article 27), work requirements (article 9), regular working hours (article 17), overtime (article 18), sick leave (article 34), the right to vacation (article 21), maternity rest (article 21), 23), reason for dismissal (art. 51), period of notice prior to termination of employment (art. 37, etc. according to national regulations) and a salary breakdown document that provides accurate information on compensation for work performed.

Based on the results of interviews with workers and workers' representatives (labor unions and gender committees), it is known that there is a work agreement along with related documents that regulate the details of wages and work conditions, such as regular working hours, deductions, overtime, sick leave, and the right to get a vacation (leave), maternity rest, reasons for dismissal and a salary breakdown document that provides accurate information regarding compensation for work performed.

#### 6.2.3.

The unit of certification has fulfilled the company's legal compliance, which is evidenced by, among other things, the availability of evidence of legal compliance for payment of wages, regular working hours, deductions, overtime, sick leave, the right to vacation days, maternity leave, reasons for dismissal, and other employment provisions.

The unit of certification shows several documents related to the implementation of labor regulations, for example as follows:

- Payment of salaries (payroll) has been verified for upkeep workers, bookkeeping clerks and technical clerks as a sample of male and female workers for the period of April 2021 which is explained in indicator 6.2.1.  
Meanwhile, the overtime payment has been verified based on the results of the document review, for example the Overtime Work Plan Order dated 11 April 2021, the Overtime Work Realization Letter dated 11 April 2021, the Overtime Recap Document for the period 11-20 April 2021, the Pay Slip for the April 2021 period and the April Payroll 2021 for employees with SUH (initials) and PEI (initials), it is known that the calculation of overtime wages and wages that have been paid is in accordance with the Decree of the Minister of Manpower and Transmigration number 102 of 2004 concerning Overtime Work and Overtime Wages.  
The salary slip has informed the name of the employee, employee ID number, division, basic salary, net salary, taxes paid by the employer, taxes paid by employees, overtime, union dues, BPJS Employment, BPJS Health, job benefits, cooperative deductions payable and etc.
- Maternity leave has been granted to pregnant workers, as shown in the Leave/ Unattendance document for the period 1 January 2021 – 31 May 2021, which explains that there are 3 female workers on maternity leave.
- Termination Letter dated February 15, 2021 to the FFB Loader Afdeling XI, with the reason for not attending without notification to management. Summons are issued on January 22, January 27 and February 1, 2021.

#### 6.2.4

Based on the results of field observations, it is known that the certification unit has provided decent housing, sanitation facilities, water supplies, medical needs, education and public facilities. The Company shows the Employee Facilities and Infrastructure Data document, dated May 2, 2021, which explains the following:

- Houses: 662 units
- Mosque: 7 units
- School: 1 unit
- Church: 1 unit
- Soccer Field: 3 units

- Volleyball Court: 8 units
- Takraw Field: 2 units
- Badminton Court: 1 unit
- Cooperative: 1 unit
- Clinic: 1 unit
- Day Care: 5 units
- Information: PLN and Genset
- Water Source: Well Water

**6.2.5**

The unit of certification has given workers access to proper, sufficient and affordable food for workers. This is evidenced, among others, by the existence of:

- Payday market at any time payroll
- Mobile vegetable traders who enter employee housing areas
- Stores are opened by employees with company permission

Based on the results of interviews with residents of housing and workers, it was stated that workers had no difficulty in obtaining adequate food sources at competitive prices. There are nearby markets that can be reached, namely Tani Makmur Market (every Sunday), Sungai Baung Market (every Thursday), Binjai Market (Every Tuesday), Sei Kemiri Market (every Saturday) and Bellas (every day).

**6.2.6.**

The Certification Unit has calculated the prevailing wage and in-kind benefit per month per employee for the period of 2021, which consists of housing, school children transportation costs, Health Insurance, Pension Guarantee, Labor Guarantee, Allowance, Employee bonus, etc. Based on the calculation results, it is known that the prevailing wage is greater than the minimum wage set in 2021, which is Rp. 3,082,808,81/ month.

**6.2.7**

Based on employee data for April 2021, it is known that permanent workers are employed for all the main work carried out by the certification unit such as harvesting, heavy equipment operators, generator operators, security, division officers, maintenance foreman, production foreman, transportation clerk and others. Meanwhile, permanent workers in factories are employed in main jobs such as boiler operators, mechanics, workshop workers, security guards, analysts, wheel loaders operators, power house operators, process foreman, warehouse officers and so on. Contract workers are limited to jobs such as maintenance, mosque management (mudim) and so on.

<b>Status: Comply</b>
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**6.3**

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

**6.3.1.**

The unit of certification indicates a statement issued by the company explaining that the company recognizes freedom of association. The policy regarding organization and association is available in the Sustainable Palm Oil Policy which was signed by the Chief Executive Officer, Chief Financial Officer and Chief Operational Office, dated April 1, 2014 at point 6 which states that the company will always provide opportunities for every employee to organize and associate. in accordance with applicable regulations.

The company can show the PUK SPPP-SPSI Organizational Structure of PT Inecda for the 2018-2023 service period and has been approved by the Manpower and Transmigration Office of Indragiri Hulu Regency. The composition of the Management Unit of PT Inecda's F.SPPP-SPSI Work Unit for the 2018-2023 service period. Based on the results of interviews with representatives from the Labor Union, Manpower Office and several workers, it is known that there are policies related to freedom of association and have been implemented well in the field.

**6.3.2**

The unit of certification shows the minutes of the meeting between the unit of certification and the trade union or workers' representatives freely chosen by the workers in the national language, as stated in the Bipartite Negotiations dated March 17, 2021, which was attended by 7 participants. The discussions at the meeting included partner relations and work order responsibilities at Mill.

### 6.3.3

The management does not interfere with the formation or activities of registered trade unions/organizations, or other freely chosen representatives for all workers, including migrant workers and contract workers, as has been stated in Article 7 of the CLA concerning guarantees for employers and worker unions. Based on the results of interviews with representatives of worker unions, it is known that the company does not interfere with the formation or activities of worker unions.

**Status: Comply**

## 6.4

### Children are not employed or exploited.

#### 6.4.1.

The certification unit has a policy regarding the age of workers, which is explained in the Sustainable Palm Oil Policy which was signed by the Chief Executive Officer, Chief Financial Officer and Chief Operational Office, dated April 1, 2014 at point 7 which states that the company will not employ children under the age of 18. In addition, the Company also has a Moral Protection and Sexual Harassment policy which was approved on December 16, 2017 by the Director of Operations, the Director of Finance and the President Director.

The unit of certification shows an employment agreement which includes clauses on the prohibition of child labour, forced labor and human trafficking. For example: Employment Agreement No. 03/GP/KBN-I-INC/CV.MR/I/2020 with a CV Murah Rizki for the work of circle racking. Article 12 (Special) explains the prohibition of child labor, forced labor practices, and the practice of buying and selling labor (human trafficking).

#### 6.4.2

Based on the results of field observations on operational activities at the Estate and Mill, there were no workers who did not meet the minimum age requirements for workers in accordance with applicable regulations and procedures. Based on the results of interviews with contractors (eg CV Murah Rizki), it is known that the company only accepts workers aged 18 years and over and in the field there are no workers under 18 years of age.

The company also shows the Employee List document updated April 2021, which among other things explains that there is no child labor.

#### 6.4.3.

Based on the results of field observations on operational activities at the Estate and Mill, there were no young workers or students who carried out field work practices in oil palm plantations.

#### 6.4.4.

The unit of certification proved that there was a policy submission on the 'ban on child labour', which, among other things, based on the results of field observations, it was found that there was a policy submission on the prohibition of child labor using warnings installed at strategic points such as housing areas, office areas, mill areas and access to villages. In addition, based on the work agreement letter with the contractor and also the results of interviews with the contractor, for example contractor CV Murah Rizki, it has been stated that the prohibition of child labor has been mentioned.

The certification unit also shows a letter of agreement for the sale and purchase of oil palm FFB dated January 4, 2021 between Nuryani (the seller) and PT Inecda, which was signed by both parties and known to the Agriculture and Fisheries Service of Indragiri Hulu Regency, which among other things explained that the age of workers must be above 18 years in accordance with UU no. 13 of 2003 article 68 (clause 8.5.3).

Based on the results of the study of employee data documents and field observations, no child labor was found under the age of 18. The results of public consultations with contractors also found that the company prohibited underage workers.

	<b>Status: Comply</b>	
<b>6.5</b> <b>There is no harassment or abuse in the workplace, and reproductive rights are protected.</b>		
<p><b>6.5.1.</b>  The company has a policy regarding the protection of decency and sexual harassment which is stated in the NDPE (No Deforestation, No Peat, No Exploitation) Policy, dated May 2, 2019 and the Management Policy of PT Gandaerah Hendana and PT Inecda on Protection of Morality and Sexual Harassment, dated December 16, 2017, which among others explains that the company's management is committed and will take the necessary actions to prevent the occurrence of violations of moral norms and sexual harassment and act fairly on reports of sexual harassment in a prudent manner and by maintaining confidentiality.</p> <p>The company through the Gender Committee has carried out socialization of anticipation of sexual harassment in the workplace, for example as shown in the Minutes of Socialization by the Gender Committee, dated December 20, 2019 in the housing complex N17, which was attended by 49 participants.</p> <p>Based on the results of interviews with the Gender Committee, it is known that the company has a sexual harassment prevention policy. and violence. This policy has been communicated to all workers during morning briefings, <i>Pos Pelayanan Terpadu</i> activities or at specified special times. The gender committee also explained that there was 1 case related to sexual harassment.</p> <p><b>6.5.2.</b>  The company's policy on the protection of reproductive rights, especially for women, has been documented in the Reproduction Policy document (menstrual, maternity and breastfeeding leave rights), number 730/HRD/GHINC-PKU/XII/2017, dated December 12, 2017, which was signed Top Management. These policies include explaining related to female workers who are menstruating, pregnant and breastfeeding as well as maternity leave.</p> <p>Based on the results of interviews with the Secretary of the Gender Committee regarding the implementation of the protection of reproductive rights, especially for women, such as Menstrual leave (H1), it is explained that if female employees want to take H1 leave, they must be put on pressure at the company clinic and rest at the company clinic. In addition, regarding the implementation of the policy, the company shows a Leave/ Unattendance document for the period January 1, 2021 – May 31, 2021, which explains that there are 3 female workers who are on maternity leave.</p> <p><b>6.5.3</b>  Based on interviews with upkeep workers at Estate 2, it is known that the person concerned is a new mother (who is breastfeeding a 4-month-old child). However, the person concerned was never asked for an opinion regarding the needs of new mothers. Based on the results of interviews with representatives of the Gender Committee, it is known that the person concerned has never been asked for an opinion regarding the needs of new mothers. Based on the results of interviews with management, it is known that the company has not assessed the needs of new mothers by asking for their opinions (new mothers).</p> <p>Based on the explanation above, there is no evidence that the management has conducted an assessment of the needs of new mothers by asking for their opinion, and taking action to meet the needs that have been identified in accordance with applicable regulations in Indonesia. <b>Non-conformity No. 2021.06 with Minor Category.</b></p> <p><b>6.5.4.</b>  The certification unit has a complaint submission mechanism that ensures the anonymity and protection of the complainant when requested, which is stated in the Grievance Handling Procedure document, document number 007-SOP-HRD, revision number 01, effective date January 15 2018, which is legalized by the COO. These procedures include describing things such as:</p> <ul style="list-style-type: none"> <li>• "The company will protect the identity of the reporter (anonymity) that relates to or concerns the security of each complainant and also relates to information provided by the reporter to the company against unfair actors, perpetrators of corruption and perpetrators who oppose the rules and code of ethics in the corporate environment". Clause 6.1.4</li> <li>• Procedures for resolving complaints</li> </ul>		



- Flowchart of Grievance Resolution Procedures
- Etc

The procedure also describes:

- Complaints can be submitted directly or indirectly through the complaint box
- If the settlement at level 3 has not yet been reached, then the parties can take it to the RSPO Complaint System (RSPO Complaint System).

Based on the results of interviews with workers and workers' representatives (worker unions and gender committees), it was stated that complaints can be submitted to their direct superiors, or to the trade unions or to the gender committee (specific complaints on women's issues).

Based on the results of interviews with the Gender Committee, it is known that the mechanism for submitting complaints can be done in person or through letters.

**6.5.3 Status: Non-conformity No. 2021.06 with Minor Category**

**6.6**

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

**6.6.1.**

The unit of certification does not employ migrant workers/ AKAD (*Angkatan Kerja Antar Daerah*), besides that it also does not implement a forced labor system. Employee recruitment is explained in the employee recruitment procedure (Document No. 001-SOP-HRD) which was approved by Chief Operation Officer (COO) Hendry Tan on January 2, 2014. This SOP aims to ensure that the recruitment process is good in order to meet HR needs quality as expected by the company.

Based on the results of interviews with workers, it is known that there are no migrant workers or AKAD in the certification unit. Employees are local residents and migrants (individuals) from other areas.

Based on the results of a review of documents related to overtime, such as an Overtime Work Plan Order, Overtime Work Realization Letter, Overtime Recap and Payroll List, it is known that there is no forced overtime by the company to workers. For example, an employee's Overtime Work Plan Order on behalf of the PA (initials) signed by the concerned, Inecda Plantation workshop employee, dated March 21, 2021, which describes overtime hours of 6.5 hours (actual). Based on the overtime hour document, which explains the calculation of overtime pay, it is known that the calculation of overtime hours pays actual overtime hours of 6.5 hours, where the first 7 hours of overtime are multiplied by 200% because they work on Sundays, so the total overtime hours paid are 13 hours.

Based on the results of the review of employee list documents, interviews with trade unions and the gender committee, interviews with management and the results of field visits at Inecda's plantations and mills, it was found that there were no migrant/foreign workers.

Based on the results of interviews with the Labor Union regarding workers who come from other areas (not from nearby villages), it is known that there is no practice of withholding identity documents, paying recruitment fees, substitution of work agreements without labor approval, forced overtime work, preventing workers from quitting from employment, imposition of penalties for termination of employment, forced work due to debt obligations and withholding wages.

**6.6.2.**

Based on the results of document review and interviews with management, it is known that in 2020 there are still 71 PKWTs, for example, Specific Time Work Agreement No. 163/HRD/INC-KBN/IV/2020 dated April 9, 2020 on behalf of RE (initials) dated 11 April 2020 SD December 20, 2020. Registration at the Manpower Office of Indragiri Hulu Regency No. 0339/Disnaker/02/PKWT-INC/VI/2020 and the Decree of the Head of the Manpower Office of Indragiri Hulu Regency No. Kpts. 43/Disnaker.02/PKWT/VI/2020 dated June 15, 2020 concerning Registration of PT Inecda's Specific Temporary Work Agreement for 20 employees.

Based on the results of the document review, field observations and interviews with management, it is known that temporary workers (Specific Time Work Agreements/PKWT) are employed. Based on the results of field observations and interviews

with workers on herbicide application activities in Division 5 block H21 Estate 1, found 3 workers with PKWT status. The company also shows examples of PKWT documents, for example Specific Time Work Agreement No. 52/HRD/INC-KBN/III/2021 dated March 8, 2021 on behalf of APA (initials) March 8, 2021 to December 20, 2021 (9 months 12 days). Registration at the Manpower Office of Indragiri Hulu Regency, March 15, 2021.

There are special employment policies and procedures that have been compiled which are listed in the Specific Time Work Agreement, including the first party is obliged to provide Salary to the second party in accordance with the minimum wage for the plantation sector, the first party is obliged to include the second party in the BPJS Health and Employee program with the provisions as regulated in a Government Regulation, the second party is entitled to annual leave if it has worked for 1 consecutive year according to a Government Regulation.

**Status: Comply**

## 6.7

**The unit of certification ensures that the working environment under its control is safe and without undue risk to health.**

### 6.7.1

The certification unit has established an OHS Committee organization for estate and mill. The organization is responsible for the implementation of OSH in the field. The certification unit shows the following ratification and appointment documents:

1. Decision of the Head of the Manpower and Transmigration Office of Riau Province dated January 10, 2019 with the number KEP.06/Disnakertrans-PK/SK-P2K3/II/2019 regarding the ratification of the OHS Committee at PT INECDA. The OHS Committee secretaries appointed by the certification unit include Hariyadi who is a OHS Expert who already has the initial HRY certificate with the number Ser.13.790/AK3/U/IV/2013 dated April 8, 2013, with the Decree on the Appointment of OHS Expert initials HRY number 5/6165 /AS.02.04/X/2019 dated October 23, 2019, with a validity period of 3 years.
2. Decree of the Head of the Manpower and Transmigration Office of Riau Province dated October 4, 2018 with the number KEP.230/Disnakertrans-PK/SK-P2K3/X/2018 concerning the ratification of the OHS Committee at PT INECDA. The OHS Committee Secretary appointed by the certification unit includes Amal Panjaitan who is a OHS Expert who already has a certificate with the number Ser.12.3213/AK3/U/X/2012 dated 16 October 2012, with the Decree on the Appointment of OHS Expert initials AMP no 5/6166/ AS.02.04/X/2019 dated October 23, 2019, with a validity period of 3 years.

Monitoring the effectiveness of the OHS plan in dealing with health & safety risks is carried out on a regular basis through monthly OHS Committee meetings that discuss OHS issues in the company. The following are some recordings of activities monitoring the effectiveness of the OHS plan through monthly OHS Committee meetings:

1. The OHS Committee meeting for the February 2021 period, which was held on February 18, 2021, took place in the mill meeting room and was attended by 10 OHS Committee administrators. The main topics of discussion at the meeting included: evaluation of work accidents, and emergency response procedures.
2. The OHS Committee meeting for the March 2021 period, which was held on March 15, 2021, took place in the mill meeting room and was attended by 11 OHS Committee administrators. The main topics of discussion at the meeting included: the implementation of blood donors, the implementation of safety patrols, and the implementation of the 5R program.
3. The OHS Committee meeting for the April 2021 period, which was held on April 12, 2021, took place in the mill meeting room and was attended by 13 Ohs Committee administrators. The main topics of discussion at the meeting included: anticipating the spread of the Covid-19 virus, discipline in using PPE when working and the importance of maintaining environmental cleanliness.

### 6.7.2

#### First Aid Kit

1. *Permenaker* No. 15 of 2008 concerning First Aid for Accidents in the Workplace, which in Appendix II explains that the contents of the First Aid box are 21 types.
2. Letter from PT INECDA Polyclinic Doctor number 004/Klinik-INC/07/2018 regarding Drug Recommendations for First Aid Bags explaining that the types of equipment recommended in first aid kits in the field are 17 types.
3. Based on field observations and checking the first aid kit in the field found the following evidences:
  - a. Harvesting at Block K16 Afdeling IX Estate 2: there are no mites, tweezers, guidebooks and monitoring.

- b. Harvesting at Blok M29 Afdeling VIII Estate 2: only contains betadine, alcohol, scissors, mitela and bandages.
- c. Toxic and hazardous waste temporary storage area and spare parts warehouse: Alcohol and Betadine have expired.

#### Fire Extinguisher

1. SOP for the Management of Fire Extinguishers with document number 026-SOP-ISP dated January 2, 2014 which explains the procedures for installing, placing, maintaining, using and inspecting APAR.
2. *Permenakertrans* No. 4 of 1980 concerning the terms of installation and maintenance of fire extinguishers, it is known that there are differences in the installation of fire extinguishers in the pole and wall areas where when the fire extinguisher is installed on the wall it is given a triangle symbol and if it is installed on the pole it is given a circular symbol with a thickness of 20 cm with a height of 125 cm from the surface. land.
3. Based on field observations in estate and mill as well as observations related to fire extinguishers found the following evidences:
  - a. The installation of the fire extinguisher on the pole is not in accordance with the procedures at the Boiler Station, Clarification Station and Sterilizer Station.
  - b. There is no fire extinguisher at the top floor Sterilizer Station.
  - c. The height of the fire extinguisher is not in accordance with the procedure and there is no fire extinguisher symbol on the wall in the Estate 1 and Estate 2 offices.
  - d. The placement of the fire extinguisher in the TUS Estate 1 house was not in accordance with the procedure (on the floor).
  - e. The placement of the fire extinguisher in the Estate 1 and Estate 2 generator rooms is not in accordance with the procedure (above the door) and there is no fire extinguisher symbol.

Based on this evidence, it is known that there are facilities and infrastructure for handling emergency situations that are not in accordance with the procedures established by the certification unit and related regulations. **(Non-conformity No. 2021.07 with Minor category)**

#### 6.7.3

The certification unit has a Personal Protective Equipment (PPE) Matrix document that explains the types of PPE used for each type of work, both in the plantation and in the factory. Based on field observations found the following evidence:

- a. In the FFB transport activity at Block L33 Division 7 Estate 2 there are 2 employees who do not use helmet when working.
- b. In harvesting activities at Block K16 Division 9 Estate 2, there was 1 employee who did not use helmet when working.
- c. In FFB transportation activities in Block I12 Estate 1, there are 2 employees who do not use helmet when working.

Based on interviews with TBS transport employees, it is known that these employees do not use PPE at work because they forgot to bring the PPE. Based on this evidence, it is known that there are employees who do not use PPE in accordance with the PPE matrix that has been set by the certification unit at work. **(Non-conformity No. 2021.08 with Major category)**

#### 6.7.4

The certification unit has shown policies and documents for the realization of employee participation in health and employment insurance programs. The realizations include the following:

##### Employment Insurance

- Proof of transfer of Employment Insurance payments for the period March 2021 which was paid on 15 April 2021 for 1189 workers.
- Proof of transfer of Employment Insurance payments for the period April 2021 which was paid on 11 May 2021 for 1181 workers.

##### Health Insurance

- Proof of transfer of Health Insurance payments for the period March 2021 which was paid on 9 April 2021 for 1189 workers.
- Proof of transfer of Health Insurance payments for the period April 2021 which was paid on 10 May 2021 for 1181 workers.

Based on the data above, it can be concluded that the company has shown evidence of facilitating employee participation in health and employment insurance programs.

**6.7.5**

The certification unit shows monitoring of work accidents in 2020 using the Lost Time Accident (LTA). From this monitoring, it is known that in 2020 there were 4 work accidents with a total of 6 missing days.

**6.7.2 Status: Non-conformity No. 2021.07 with Minor category**

**6.7.3 Status: Non-conformity No. 2021.08 with Major category**

**PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT**
**7.1**

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

**7.1.1**

Program on integrated pest management is consist of pest attack incidence monitoring and census, census analysis and pest population control through chemical and biological method. Record of realization is presented as follows:

- Census of leaf eating caterpillar (LEC) in Block O22 Division XI dated 20 May 2021 shows that level of incidence was 0.6 LEC per frond, so that in this case, the company does not take control measures.
- Rat census in Division III on May 19, 2021 shows incidence under than 5 % has identified in Block K12. in this case, the company does not take control measures.
- Biological control: up to May 2020, it was known installation of 69 units of Barn Owl Nest had conducted by estate management.
- Training of census and IPM on March 6, 2021.

**7.1.2**

Based on verification document of 2019 - 2020 beneficial plant plan and realization document and based on field observations, it is known that the certification unit has planted *Turnera subulata*, *Antigonon leptosus*, and *Casia cobanensis* as predators of Fire Caterpillars. Based on field observations in weed control activities and interviews with the worker, known that the company did not use fire in the process of controlling pests and diseases.

**7.1.3**

Based on the results of document review, interviews with workers and management as well as field observations, it is known that there is no use of fire for pest control.

**Status: Comply**

**7.2**

**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**

**7.2.1**

The company shows the SOP for Pesticide Management, which explains the reasons for the use of all pesticides, which include method of application, pest, weed or disease being targeted and other considerations. Several things are considered in the selection of pesticides such as the potential for unwanted side effects, environmental protection, pesticide safety and so on. For example, the selection of pesticides based on their target, namely for herbicides, recommended the active ingredients *Fluroxypir*, *Glyphosate* and *Triclopyr*.

Based on field observations on herbicide application activities, it is known that the active ingredient used is *Glyphosate* mixed with *Methyl metsulfuron* for target weeds around the circle and harvesting path.

**7.2.2**

The certification unit has justification for the use of selective pesticides according to pest specifications, both in pest, disease and weed control procedures, as well as 2021 update management commitments. The document contains the types and names of pesticides, physical form, active ingredients, class according to WHO, LD50, working method, selective target, dosage, producer, register number at the Pesticide Commission, and distribution permit. From the review of these documents, it is known that the pesticides used do not fall into the categories 1A, 1B, Stockholm / Rotterdam Convention, and there is no paraquat. The certification unit also has records of pesticide use from 2018 - March 2021, and already has an application

LD50 / Ha analysis. From these records it is known that the use of pesticides has decreased. This reduction is one of the benefits of applying biological control by using beneficial plants as predatory hosts for Fire Caterpillars. From the results of document review and interviews with representatives of the certification unit, it was also found that no pesticides were applied from the air.

### 7.2.3

The certification unit has justification for the use of selective pesticides according to pest specifications, both in pest, disease and weed control procedures, as well as 2021 update management commitments. The document contains the types and names of pesticides, physical form, active ingredients, class according to WHO, LD50, working method, selective target, dosage, producer, register number at the Pesticide Commission, and distribution permit. From the review of these documents, it is known that the pesticides used do not fall into the categories 1A, 1B, Stockholm / Rotterdam Convention, and there is no paraquat. The certification unit also has records of pesticide use from 2018 - March 2021, and already has an application LD50 / Ha analysis. From these records it is known that the use of pesticides has decreased. This reduction is one of the benefits of applying biological control by using beneficial plants as predatory hosts for Fire Caterpillars. From the results of document review and interviews with representatives of the certification unit, it was also found that no pesticides were applied from the air.

This is in accordance with the Management commitment in the Pesticide Use Policy dated 10 July 2018, which includes stopping the purchase and use of paraquat; limiting the use of pesticides in WHO class 1A, 1B, Stockholm or Rotterdam conventions; prioritizing biological and non-chemical controls that are environmentally friendly and efficient; handling of pesticides properly from procurement, handlers, storage of tools and materials, distribution, application, post-application, B3 waste, medical supervision, and prohibitions for pregnant and breastfeeding mothers to become pesticide applicators. All pesticide applications must be based on the recommendation of the Department of Agronomy, which makes decisions based on field observations and analysis of detection results.

In accordance with the management commitment that pesticide handling officers are provided with training and infrastructure in handling pesticides. Based on interview and field observation at the BUS (Spray Unit Building) facility, Housing, Afdeling, show that the certification unit already has PPE cleaning and storage facilities and spray work equipment, as well as laundry waste management. Based on field observation at Fertilizer and Pesticide Warehouse in the main housing, it is known that the storage of fertilizers and pesticides is well organized and is equipped with MSDS information, symbols of toxic and hazardous material, and there is an fire extinguisher.

### 7.2.4, 7.2.5 and 7.2.7

Management commitment in the Pesticide Use Policy dated 10 July 2018, which includes stopping the purchase and use of paraquat; limiting the use of pesticides in WHO class 1A, 1B, Stockholm or Rotterdam conventions; prioritizing biological and non-chemical controls that are environmentally friendly and efficient; handling of pesticides properly from procurement, handlers, storage of tools and materials, distribution, application, post-application, B3 waste, medical supervision, and prohibitions for pregnant and breastfeeding mothers to become pesticide applicators. All pesticide applications must be based on the recommendation of the Department of Agronomy, which makes decisions based on field observations and analysis of detection results.

### 7.2.6

In accordance with the management commitment that pesticide handling officers are provided with training and infrastructure in handling pesticides. Based on field observations and interviews with employees, it is known that the company regularly and periodically provides training to employees regarding the technical maintenance of oil palm, starting from manual maintenance to the use of chemicals.

Training of pesticide application has conducted on 25 March 2021. Absence of participant is presented in document Form No. FRM-ISP-P 037/01 (Rev. 0). Training effectiveness towards integrated pest management and safe working practices in pesticide application will be verified to the respective workers during onsite audit.

### 7.2.8

There is a Pesticide Management Procedure (Document No. 025-SOP-AGR). This SOP is intended as a guide in handling work related to pesticides including storage, mixing, application, handling of used pesticide containers, handling of pesticide

poisoning and mandatory use of PPE (personal protective equipment).

The company also has a procedure for managing used agrochemical packaging and agrochemical contaminated water (Document No. 014-SOP-ISP) which has been approved by the Chief Operation Officer (COO) effective January 2, 2014. The procedure aims to:

- As a guide in the management of used chemical packaging and used fertilizer sacks produced.
- Reuse (reuse) of waste water from washing and used chemical packaging and washing sacks, the aim is to minimize the impact of environmental pollution on soil and water media at the activity location.
- Make sure all used pesticide containers are returned to the warehouse after the work day is over, then the warehouse officer is obliged to manage the pesticide packaging waste.
- Pesticides should not be loaded, stored and placed in containers commonly used for household use, such as used mineral water bottles.

Based on the results of field visits to residential areas Afdeling 2 and 3 Estate 1 and Housing Afdeling 7 and 10 Estate 2, it was found that there were no traces of pesticide packaging that were reused, for example as water reservoirs or flower pots.

### 7.2.9

Based on information from estate management, it was informed that there were no pesticide application through aerial method by plane. All pesticides has applied through spraying both manually and mechanically. The same thing was conveyed by the surrounding community during the interview where it was stated that the company did not spray pesticides through the air.

### 7.2.10

The company has shown documents for the realization of periodic checks for workers and special health checks for workers with certain/special risks. The realization of the examination is listed in the document Recapitulation of Medical Check Up Results for Inecda Employees in Semester II 2020. The examination includes cholinesterase examination, spirometry, medical check-up (general) and audiometry. The number of employees who took part in the medical examination was 205 people including pesticide application workers, fertilizer application workers, chemical handlers, generator operators and environmental personnel.

From the results of the examination, it was found that there were 18 people who needed follow-up. The company followed up on employees who experienced a decline in their health level by checking back at the company's clinic, based on the results of the follow-up it is stated that all workers (18 people) are declared able to work as usual.

### 7.2.11

Based on the results of interviews with spray workers, it is known that pregnant and lactating women are not allowed in spraying activities. This has been socialized to workers through morning briefings or socialization provided by the gender committee.

**Status: Comply**

## 7.3

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

### 7.3.1

The company shows identification of waste sources for the 2020 period with details: ex sacks of fertilizer, inner plastic of fertilizer sack, used oil from generator, used neon/lights, wastewater, EFB, Shell, fiber, dash of incinerator, dash of boiler, domestic waste, paper and others.

The company has a waste management plan identified from Estate and Mill activities. The waste management plan is as follows:

#### Domestic waste

Domestic waste generated from housing and offices will be disposed of in Landfills. Domestic waste is transported twice a week and then disposed of in landfills.

#### Mill Effluent (POME)



Mill effluent generated from the factory is reused for Land Applications. Before being channeled to LA, the mill effluent is first managed at the WWTP with the aim that the quality of the mill effluent flowing to LA is in accordance with the provisions.

#### **Solid waste**

The solid waste produced by the company is shell, fiber and Jangkos. The management plan is carried out by reusing solid waste such as shells and fiber to be reused as boiler fuel. Meanwhile, solid waste such as jangkos is reused by applying it to plantation areas.

#### **Hazardous and Toxic waste**

Hazardous and toxic waste produced by the Plantation and Factory will be stored in the Temporary Storage of Hazardous and Toxic Material Waste owned, then it will be transported by a licensed third party which will then be handed over to the further management. The company already has an Approval for Fulfilling the Commitment to the Management of Hazardous and Toxic Waste for the Producer of Hazardous and Toxic Waste Storage Activities PT Inecda in accordance with the Decree of the Head of the Investment and Integrated Services Agency (DPMPTSP) of Indragiri Hulu Regency Number 16/DPMPTSP/BP-LB3/XI/2020 stipulated on November 23, 2020 with a validity period of 5 years from the date of stipulation.

Hazardous and toxic waste logbook is presented in the hazardous and toxic waste logbook document. The form informs, among other things, the type of waste. Hazardous and toxic materials that enter, date of entry, source of waste, amount of incoming waste, maximum storage, date of waste exit, amount of waste exited, destination for delivery, proof of delivery document number and remaining waste in temporary storage places. Companies can show a logbook of hazardous and toxic waste for the period January to d. April 2021 Based on the document review, it is known that there is no waste of hazardous and toxic materials that have been stored beyond the storage time since they were received at the Temporary Storage of Hazardous and Toxic Waste.

The company can show the manifest of the transportation of hazardous and toxic waste by a licensed carrier, namely PT Mitra Jaya Pertiwi on March 30, 2021. The types of waste transported are for example as follows:

- Packaging used for pesticides as much as 3.1295 tons with Manifest KLHK-1618200452
- Used Majun as much as 0.0375 tons with Manifest KLHK-1618191065.
- Used oil as much as 1.11 tons with Manifest KLHK-1618200466.
- Medical waste as much as 0.0002 tons with Manifest KLHK-1618019246.

Based on document verification and field observations, the following evidences were obtained:

- Hazardous and Toxic Waste Management Procedure with Document Number 012-SOP-ISP dated October 1, 2018 where at point 6.3.7 it is explained that at each hazardous and toxic waste storage place in the Temporary Storage of Hazardous and Toxic Materials Waste must be given an identity in the form of symbols, label and name of waste Hazardous and toxic materials according to the characteristics and types of waste Hazardous and toxic materials that exist. Then at point 6.3.15 it is explained that any waste of hazardous and toxic materials produced and stored in the Temporary Storage of Hazardous and Toxic Materials must be recorded/administered neatly using a Hazardous and Toxic Waste Balance.
- Based on the results of field observations at the Temporary Storage of Hazardous and Toxic Waste in Inecda POM, it is known that the name of the hazardous and toxic waste is not yet available for the types of used cartridges, medical waste, and used paint packaging. In addition, there is no record of waste Hazardous and toxic materials stored in Temporary Storage for Hazardous and Toxic Materials for used cartridge types.

Based on this explanation, the Company has not been able to show evidence that the management of hazardous and toxic waste in the temporary storage of hazardous and toxic waste is in accordance with the procedures it has. **Non-conformity No. 2021.9 with Minor Category.**

#### **7.3.2**

Based on document review, field observations and interviews with workers, the following evidences were obtained:

- Domestic Waste Management Procedure with Document Number 015 – SOP – ISP dated January 02, 2014 where in point 6.3.4b it is explained that periodically 2 (two) times in 1 (one) week, the appointed officer will take and transport the waste to the landfill final waste (landfill) with a system of separating waste based on the type between organic and inorganic waste.

- Based on the results of field observations to landfills in the Mill area, Block C4 Afdeling 1 Estate 1, and Block N34 Afdeling 11 Estate 2, it is known that domestic waste is not separated according to its type, namely organic and inorganic.
- Hazardous and Toxic Waste Management Procedure with Document Number 012-SOP-ISP dated October 1, 2018 where in point 6.3.1 it is explained that all hazardous and toxic wastes generated from the company's operational activities must be collected and stored in the Temporary Storage of Hazardous Materials. and poisonous. Then in point 6.3.4 it is explained that the waste of hazardous and toxic materials produced and stored in the garden work unit must be immediately sent to the Temporary Storage of Hazardous and Toxic Waste in the Mill at least once a month or before the volume reaches more than 200 liters for this type. waste Hazardous and toxic liquid liquid and for the type of waste Hazardous and toxic solid material in whatever amount is sent along with the shipment of the liquid hazardous and toxic waste.
- Based on field observations in the generator room Afdeling 3 Kebun 1 there are 6 Pcs Filters used for a long time have not been sent to the Temporary Storage of Hazardous and Toxic Waste at the Mill. Based on the verification of the document for recording the entry and exit of hazardous and toxic waste, it is known that there is a used filter that entered on April 16, 2021, weighing 0.004 tons, but the origin of the producer of hazardous and toxic waste is not stated.
- Based on field observations to the Estate 1 Oil Warehouse, there are drums of used oil that have not been sent to the Temporary Storage of Hazardous and Toxic Waste at the Mill. Result of document verification Recording in and out of waste Hazardous and toxic materials since the period March 2021 there are no types of used oil drums entering from unit estate 1.
- Based on field observations of water level Block I21 Afdeling 5 Estate 1, it was found that the pesticide packaging was not in the right place.
- Based on field observations to the Afdeling 10 Estate 2 Housing, there were traces of chemical packaging that were reused as a trash can / dustpan.
- Based on the interview with the Insial SK worker, it was found that the employee did not understand where the hazardous and toxic waste was stored.

Based on this explanation, the Company has not been able to show evidence that waste disposal is in accordance with procedures that are fully understood by workers. **Non-conformity No. 2021.10 with Minor Category.**

### 7.3.3

Based on field observations and interviews, the following evidence was obtained:

- Based on the results of field observations in the residential area of Afdeling 3 Estate 1 PT Inecda there are traces of domestic waste burning.
- Based on the results of field observations to the residential area of Afdeling 10 Estate 2 PT Inecda, there are 2 points of burning domestic waste.
- Based on the results of interviews with several employees of Kebun Estate 1 and 2, it is known that there is still burning of domestic waste carried out by residents of employee housing.

Based on this evidence, it is known that in the company's operational area there are still open burning activities for the destruction of domestic waste. **Non-conformity No. 2021.11 with Minor Category.**

7.3.1	Status: Non-conformity No. 2021.9 with Minor Category	
7.3.2	Status: Non-conformity No. 2021.10 with Minor Category	
7.3.3	Status: Non-conformity No. 2021.11 with Minor Category	

## 7.4

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

### 7.4.1

The certification unit has fertilization procedures, such as Fertilization Procedures in Nurseries (code 011-SOP-AGR), Inorganic Fertilization (code 026-SOP-AGR), Organic Fertilization (code 027-SOP-AGR), and Land Application (028 -SOP-AGR). The procedure includes, among others, Fertilization Planning based on soil and leaf tissue analysis, program preparation, application, and monitoring. The goal is to meet the nutritional needs of plants, good plant growth, contribute organic matter to the soil, and good production.

The fertilization program is compiled based on the results of the leaf and soil analysis. Leaf analysis is carried out annually.

Soil analysis is valid for 5 years, the last collection is December 2020. Soil analysis is to check the physical properties of the soil, while leaf tissue analysis is to determine the content of N, P, K, Mg, Ca, B, Cu, Zn.

The certification unit has recycled empty bunch and mill liquid waste, and optimized non-organic fertilizers in 2020 and 2021.

Based on field observations for fertilizer application, it is known that there is a manual application of fertilizer with the type of NPK Bio fertilizer at a dose of 2.5 kg / tree and has used a dose that has been calibrated by the research department.

#### **7.4.2**

Procedure on leaf and soil sampling analysis is presented in document No. 043-SOP-AGR and No. 044-SOP-AGR dated 01 April 2018, respectively. Both procedures mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Summary of both sampling is presented as follows:

##### **Leaf Sampling Unit (LSU) Analysis**

Leaf sampling analysis for period 2020 is carried out on November 2020 by PT Central Alam Resources Lestari from Pekanbaru. Parameter measured on LSU are content of macronutrient (N, P, K, Mg and Ca) and micronutrient (B, Zn and Cu). The LSU result later on to be used for manuring recommendation for period 2020.

##### **Soil Sampling Unit (SSU) Analysis**

Soil sampling analysis is carried out by PT Central Alam Resources Lestari from Pekanbaru. As the SSU is conducted every five years, the latest SSU analysis was derived from testing results dated 11 December 2017. The result was applicable up to 2022. Among parameter measured on SSU are nutrient retention (pH, % Organic-C, CEC), and available nutrient (N-total, P-Total, available-P, K-dd and Mg-dd).

Visual assessment of palm vigour land field condition by Agronomist from PT Central Alam Resources Lestari has also carried out every annually to monitoring nutrient status change and determining correction manuring program on the coming manuring schedule.

#### **7.4.3 and 7.4.4**

The certification unit has fertilization procedures, such as Fertilization Procedures in Nurseries (code 011-SOP-AGR), Inorganic Fertilization (code 026-SOP-AGR), Organic Fertilization (code 027-SOP-AGR), and Land Application (028 -SOP-AGR). The procedure includes, among others, Fertilization Planning based on soil and leaf tissue analysis, program preparation, application, and monitoring. The goal is to meet the nutritional needs of plants, good plant growth, contribute organic matter to the soil, and good production.

The certification unit has recycled empty bins and PKS liquid waste, and optimized non-organic fertilizers in 2020 and 2021. In March 2021, the application of liquid waste in estate was 3,877 m<sup>3</sup>. Meanwhile, empty bed applications until March 2021 were 10,263.39 MT for all estate applications. The results of the review of the Monthly Meeting documents, the COO commented that the achievement of inorganic fertilization up to March was still 21%, which should have been 25% - 30%. The cause of this achievement is due to the factor of fertilizer procurement and delivery which affects the fertilization process.

The fertilization program is compiled based on the results of the leaf and soil tissue analysis. Leaf tissue analysis is carried out annually, the last being December 2020. Soil tissue analysis is valid for 5 years, the last collection is December 2020. Soil tissue analysis is to check the physical properties of the soil, while leaf tissue analysis is to determine the content of N, P, K, Mg, Ca, B, Cu, Zn.

	<b>Status: Comply</b>	
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#### **7.5**

##### **Practices minimise and control erosion and degradation of soils.**

#### **7.5.1**

Soil map which informed presence of marginal and/or fragile soils is derived from HCV study that conducted on 2013. According to topography map with scale 1:62,067 which derived from HCV study that conducted in 2013, it was known that slope condition in unit certification operational areas were ranged from 0 % to 25 % (or 0° – 12°) or classified as flat to rolling. Thus, there were no presence of hilly to steep areas that may lead as limitation factor for oil palm cultivation.

Soil limitation was mainly due to presence of peat soils. Soil map informed that about 45.36 % and 19.50 % from total operational areas were identified as peat areas with depth <3 m and >3 m, respectively. The latter is classified as deep peat areas and considered as fragile area for oil palm cultivation.

### 7.5.2

Slope map with a scale of 1: 61,097 with the source Orthophoto Drone 2016. The map informs PT Inecda's slope zones, namely 0 - 4 %, 4 - 8 %, 9 - 15 %, and 16 - 25 %.

The certification unit demonstrated the realization of the replanting implementation starting from 2013 to 2020, namely:

- In 2013 an area of 28.22 Ha
- In 2014 an area of 416.53 Ha
- In 2015 an area of 307.91 Ha
- In 2016 an area of 203.00 Ha
- In 2017 covering an area of 335.84 Ha
- In 2018 an area of 335.93 Ha
- In 2019 covering an area of 664.88 Ha
- In 2020 covering an area of 205.35 Ha

### 7.5.3

There is no new planting and/or new development area in the unit of certification. Thus, this Indicator is not applicable.

**Status: Comply**

## 7.6

**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.**

### 7.6.1

The certification unit has maps that inform the following specific areas

- Soil and Peat distribution map with a scale of 1: 62,067. The map was created by the PT SAN HCV Team in 2013 and provides information on peat depth of more than 3 meters, peat depth of less than 3 meters, and mineral soils
- Slope map with a scale of 1: 61,097 with Orthophoto Drone 2016 source. The map informs PT Inecda's slope zones, namely 0 - 4 %, 4 - 8 %, 9 - 15 %, and 16 - 25 %.
- Map of flood-prone areas using Orthophoto drone sources from 2016 with a scale of 1: 62,000.

### 7.6.2 and 7.6.3

Planting on PT Inecda's plantations has been carried out since 1994 and has entered a period of rejuvenation during the period 1989 - 2015. Planting between 2005 - 2015 is a replanting activity, not new land clearing after November 2005.

The certification unit has a map of the distribution of soil and peat with a scale of 1:50,000 which describes the area of peat with a depth of below 3 meters and above 3 meters and the area of mineral soil. The map source is a Garmin 76 Csx GPS (accuracy 3-5 meters); Riau province administrative map; and PT Inecda planting blocks.

Based on the results of the document review, interviews with management and field observations at TMRE and SRSE, it is known that there are plantings in peat areas. For peat areas, management carried out by water management, such as the construction of stop bunds/permanent dams. In addition, measurements of water level and peat soil subsidence are also carried out on a regular basis.

**Status: Comply**

## 7.7

**No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.**

### 7.7.1

According to review of hectare statement 2020 and peat inventory reporting detail, it was known that there was no new planting of oil palms in the existing areas, unless for replanting purposes. Estate management informed that there were no additional new development areas in PT Inecda. Summary of the first replanting on peat areas after 15 November 2018 is

presented in the following Table:

Unit	Area Planted (ha)	Peat Depth Situation (cm)
Estate 1	195.61	200 – 250
Estate 2	235.71	250 – 300

(Note: oil palms were planted in 2019)

According to the Table above, it was known that oil palms planted after 15 November 2018 were for replanting purposes. During 2019, palms were planted on peat areas for about 431.32 ha. Peat depth on replanting areas was reported less than 300 cm, or categorized as medium depth.

### 7.7.2

#### **Peat Area Distribution**

Estate management shows Soil Map of PT Inecda dated 26 June 2020 with scale 1:50,000; summarized as follows:

Map Reg.	Peat Soil Area (Ha)	Mineral Soil Area (Ha)	Total (Ha)	Note
No. INC_IS_20_032	5,118.50	3,011.96	8,130.46	Certified
No. INC_IS_20_032a	53.02	58.55	111.57	Non-certified
<b>Total</b>	<b>5,171.52</b>	<b>3,070.51</b>	<b>8,242.03</b>	

According to the Table above, it could be concluded that about 62.75 % of planted areas were covered by peat soils with various depth while the rest for about 37.25 % were categorized as mineral soils.

#### **Peat Inventory Report**

Process of peat inventory report has started since 15 November 2019 as verified through email from GHG Unit of RSPO ([ghg@rspo.org](mailto:ghg@rspo.org)) as RSPO Secretariat representative on 16 March 2020. RSPO representative email dated 18 March 2020 mentioned that unit of certification is required to resubmit the peat inventory to include the uncertified unit by 31 March 2020. Latest peat inventory submission is shown through email dated 24 March 2020. Latest response from RSPO GHG Unit was given on 14 June 2020 which informed that RSPO is ongoing on further analysis of figures given by unit of certification. Sustainability Department has response on 22 June 2020 which explain that area included on unplanted areas on peat were consist of breeding area, factory and employee housing, rivers, reservoirs, roads and drainage systems. However, sufficiency statement from RSPO GHG Unit towards the latest peat inventory submission is not available. The certification unit sent the revised peat inventory back to the RSPO secretariat through Devallevi/Amir Afham on 7 July 2021 and until the audit was carried out there had been no clarification from the RSPO secretariat.

### 7.7.3

Record of peat subsidence is presented in document Form No. FRM-AGR-P 041/02 (Rev. 0), signed by HCV Officer, HSE Officer, Estate manager and Senior Manager. Estate unit shows subsidence measurement for period 2020 and 2021, where conducted on 12 locations within Estate 1 and Estate 2. Monitoring is conducted every three months. The company show peat subsidence report dated 9 January 2021 and 3 April 2020. In general, it could be concluded that peat subsidence rates were ranged from 1.0 to 3.0 cm/year. To minimize subsidence rate estate management has implementing a proper water management through monitoring of water level (measurement poles) and water table (piezometer) and maintain it on level between 50 to 70 cm.

### 7.7.4

The certification unit has a water management procedure with document number 019-SOP-AGR dated 5 May 2014 where in point 6.4 part 1a it is explained that the water level sign in water level monitoring is equipped with a water depth measurement. Based on field observations for water level observations in Block I21 Afdeling 5 Estate 1 it is known that the water level does not have a water depth measurement unit and the results of observations in Block J16 Afdeling 4 Estate 1 it is known that the 0 (zero) point on the water level is below the surface ground (not parallel to the ground).

Based on this evidence, it is known that the monitoring of surface water levels is not in accordance with existing procedures.  
**(Non-conformity No. 2021.12 with Critical Category)**



**7.7.5**

The unit of certification shows drainability study that carried out by GIS Staff, checked by Estate Managers and approved by Senior Manager. There are two report study, summarized as follows:

- Drainability study for period 2018 dated 09 June 2019 had carried out specifically for Afdeling VII Block L25, L26, M22 and Afdeling XI Block N22, with totalling area covers about 312.67 ha. Replanting Map in 2018 is available in scale 1:41,000. Subsidence rate were ranged from 2.60 cm/year. The report concluded that all studied areas were classified into class 2 which considered able to conduct replanting activity by involving a proper water management.
- Drainability study for period 2019 dated 23 January 2020 had carried out specifically for Afdeling V Block I25, I26, J27, J28, J29 and Afdeling VII Block K27, K28, K29 and M23, with totalling area covers about 353.37 ha. Replanting Map in 2019 is available in scale 1:50,000. Subsidence rate were ranged from 1.0 – 2.2 cm/year. The report concluded that all studied areas were classified into class 2 which considered able to conduct replanting activity by involving a proper water management.
- Drainability study for period 2020 dated 17 March 2021 had carried out specifically for Afdeling V Block H24, I24, J25, J26 and Afdeling VIII Block L27, L28, K29 and M24, with totalling area covers about 191.64 Ha. Replanting Map in 2020 is available in scale 1:50,000. Subsidence rate were ranged from 1.16 – 2.25 cm/year. The report concluded that all studied areas were classified into class 2 which considered able to conduct replanting activity by involving a proper water management.

**7.7.6**

The certification unit has a procedure or work instruction for planting on peat in the Peatland Management Procedure Document (041-SOP-AGR). However, in this procedure there is no guideline for installing / placing a subsidence stake as a measuring tool for peat soil subsidence which refers to the guideline "RSPO Peatland Working Group meeting on 13-14 September 2018 to clarify potential audit guidance for Criteria 7.7 (as adopted by GA)". Where, the company must have 1 subsidence marker in every 240 Ha of peat area. For peat areas with more than 5000 Ha, the number of stakes can be deducted from this requirement if the company has justification. Based on field observations and document verification, it is known that the area of certified peatlands is 5,118.50 Ha, with the total peat subsidence markers of 21 stakes. In accordance with the RSPO Peat Audit Guidance (P&C 2018), the installation of subsidies every 240 hectares so that the need for subsidies is 21.32 (21) stakes.

Based on field observations in the peat area show that the construction of drainage channels is based on topography. In addition to the Piezometer, the certification unit measures the water level in the water channel as found during field observations in Kebun 1 and Kebun 2 it is known that the surface water level from the ground level is  $\pm$  35 cm. Downstream of the trench, in the same block, a floodgate has been installed, to keep the water supply in the block from drying out and flooding.

**7.7.7**

Based on the results of document review and interviews with management, it is known that no new plantings have been carried out on peatlands, regardless of depth, after 15 November 2018 in operational areas. The areas that were not planted from the start become HCV areas.

<b>7.7.4</b>	<b>Status: Non-conformity No. 2021.12 with Critical Category</b>
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**7.8**
**Practices maintain the quality and availability of surface and ground water**
**7.8.1 & 7.8.2**

The company already has a water management plan and has implemented the water management plan which consists of:

- Do not apply chemicals in river border areas.
- Not disposing of liquid waste into the river but reusing it to plantation land. Before being used, the liquid waste is managed in the WWTP so that the quality meets the standards set by the government.
- Utilizing water for factory processing in accordance with the standards set by the company.
- Conduct testing of river water quality and monitoring wells.

Surface water quality monitoring program periodically every six (6) months, referring to the RKL/RPL. The tests were carried out by the Independent Testing Laboratory of the Riau Provincial Highways Office, for example, the water quality analysis of the Air Hitam river conducted in semester 2 of 2020 included four (4) physical parameters, 27 inorganic chemical parameters,



two (2) microbiological parameters and four (4) organic chemical parameters, referring to PP No. 82 of 2001 for Class II Water. For example, the test results for the parameters TSS, TDS, pH, BOD, and COD are presented in the table below:

Parameter	Analysis results		Standar	
	Upstream	Downstream		
pH	6,71	6,53	6,0-9,0	-
Sulfat	<0.329	<0.329	-	Mg/l
BOD	1.53	2.25	3	Mg/l
COD	41,29	43.20	25	Mg/l
TDS	10	8	1000	Mg/L
TSS	6	4	50	Mg/L

There are parameters that are above the Quality Standards, namely the COD parameter. The company has carried out the evaluations listed in the RKL/RPL implementation report for Semester 2 of 2020 by continuing to strive to reduce the pollution burden on river water and will continue to maintain the quality of surface water by managing waste and the use of fertilizers and other environmentally friendly materials.

Based on the results of a field visit to the water riparian area of the Black Belilas River in Blok M/N 29 Afdeling 8 Estate 2, it was found that there were no indications of traces of chemical application in the river basin. In addition, in the river border areas, Sengon and Ketapang species have been planted.

The company has carried out replanting in 2020, but the replanting activities are not in river border areas or wet streams. The company has a procedure or policy related to river border management which explains that if oil palm is planted on the river border, the company will carry out a rehabilitation program at the time of replanting.

### 7.8.3

The company already has a POME Utilization Permit on the ground based on the Decree of the Head of the Environmental Agency of Indragiri Hulu Regency No. 22 of 2018 dated December 18, 2018 (valid for 5 years).

The company has conducted a liquid waste test as a form of monitoring carried out by the company. The company can show the results of the wastewater quality test, for example:

- July 2020 → pH: 7.60; BOD: 581.6; COD: 3,442; oil & grease: 30
- August 2020 → pH: 8.26; BOD: 281.6; COD: 1,530; oil & grease: 67
- September 2020 → pH: 7.5; BOD: 358.5; COD: 1,165; oil & grease: 18
- October 2020 → pH: 7.92; BOD: 985.5; COD: 3,885; oil & grease: 54
- November 2020 → pH: 8.32; BOD: 604.0; COD: 2.337; oil & grease: 26
- December 2020 → pH: 8.15; BOD: 704.7; COD: 1,506; oil & grease: 13
- January 2021 → pH: 7.72; BOD: 413.09; COD: 1,321.10; oil & grease: 1.60
- February 2021 → pH: 7.90; BOD: 1,440.15; COD: 2,640.16; oil & grease: 3.10
- March 2021 → pH: 7.70; BOD: 1,712.68; COD: 3,930.65; oil & grease: 8.10
- April 2021 → pH: 7.90; BOD: 1,520.84; COD: 3,715.10; oil & grease: 12.40

The company has also tested the quality of monitoring wells located in Monitoring Well Block C15 area LA, Monitoring Well Block B13 non LA area, and Monitoring Well Block B 17 which was carried out in semester 2 of 2020 by the UPT Construction Material Laboratory of the Riau Province Public Works Office which accredited by KAN (LP-750-IDN) with the Quality Standard of the Minister of Health of the Republic of Indonesia No. 32 of 2017. Based on document verification, it is known that the test results are still in accordance with the stipulated Quality Standards.

Based on the results of the field visit to the liquid waste application area in Block B15, it was found that the location of the liquid waste application was in accordance with the permit granted. In addition, there is no indication of the overflow of liquid waste applications into rivers and the surrounding environment.

### 7.8.4

The company has a water use permit for palm oil processing, based on the Decree of the Minister of Public Works and Public Housing No. 963/KPTS/M/2017 concerning the Granting of a Water Resources Concession Permit to PT INECDA for

Industrial Business in the Air Hitam River, dated November 29, 2017 with a validity period of 5 years. Companies can show records of water use for palm oil processing, for example as follows:

Period	FFB Processed (Ton)	Used Water (m3)	Budget (m3)	Efisiensi (m <sup>3</sup> /ton FFB)
January-20	14.590,860	16.041	30.000	1,1
February-20	12.526,260	17.670	30.000	1,4
March-20	13.473,680	16.998	30.000	1,3
April-20	15.105,370	18.388	30.000	1,2
May-20	14.641,740	18.161	30.000	1,3
June-20	16.523,870	19.549	30.000	1,2
July-20	17.403,750	19.843	30.000	1,1
August-20	16.002,560	20.191	30.000	1,3
September-20	18.398,630	23.719	30.000	1,3
October-20	17.667,210	20.920	30.000	1,2
November-20	17.864,520	20.995	30.000	1,2
December-20	15.883,570	21.180	30.000	1,3
January-21	16.205,640	21.774	30.000	1,3
February-21	12.078,020	17.768	30.000	1,5
March-21	13.730,120	20.745	30.000	1,5
April-21	13.527,300	20.737	30.000	1,5

Based on the recapitulation data on water use and water distribution, it is known that the use of water for the process is still below the amount of water consumption permitted in the water use permit. Thus, it can be concluded that the realized volume of water utilization is still far from the permitted utilization volume, which is 30,000 m<sup>3</sup>/month.

The company can show proof of payment of Surface Water to the Riau Province Revenue Service UPT Inhu Regency Revenue for April 2021 payments to be paid on 27 May 2021.

**Status: Comply**

## 7.9

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

### 7.9.1

The plan to increase the efficiency of the use of fossil fuels and optimize the use of renewable energy by the company is to use shells and fiber as boiler fuel which is used to generate turbines to generate electricity. The use of energy generated from the turbine is monitored every day.

The company uses shells and fiber as boiler fuel to generate turbine power, this can reduce the use of fossil fuels. The following is data for 2020 for the period January to December.

2020	FFB Processed (ton)	Fiber	Shell	Solar	KWH Turbine	KWH Generator
<b>Total</b>	190.082,02	32.466,54	3.859,27	20.476	3.728,10	307,40

The use of KWH Turbines for FFB Processed in 2020 is 0.0191 KWH/ton FFB

Use of KWH Genset on FFB Processed in 2020 0.0016 KWH/ton FFB.

**Status: Comply**

## 7.10

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

### 7.10.1

The company did not add new areas (still the same as the previous year), The company also has conducted GHG emission calculations period 2020 use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG

Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

#### Summary of Net GHG Emissions

Emissions per product	tCO <sub>2</sub> e/tProduct
CPO	12.47
PK	12.47

Production	t/yr
FFB processed	209,639.00
CPO produced	39,047
PK produced	8,396

Extraction	%
OER	18.63
KER	4.00

Land use	Ha
Planted area on mineral	3,070.50
Planted on peat	5,171.53
Total area planted	8,242.03
Conservation Area (Forested)	41.71
Conservation Area (Non-Forested)	0.00
FFB Production per hectare	25.44

#### Summary of field emission and Sinks

Description	Own crop		Group		3rd	Total
Emissions Sources	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	
Land conversion	41656.48	0.29	794.13	0.55	0	42450.60
CO <sub>2</sub> emissions from fertilizer	3880.19	0.03	43.29	0.03	0	3923.47
N <sub>2</sub> O emissions from peat	38316.01	0.27	396.89	0.27	0	38712.91
N <sub>2</sub> O from Fertilizer	3364.17	0.02	34.54	0.02	0	3398.71
Fuel consumption	1656.17	0.01	22.04	0.02	0	1678.20
Peat oxidation	279471.19	1.95	2894.86	2.00	0	282366.05
Sinks						
Crop sequestration	-63757.43	-0.45	-1044.47	-0.72	0	-64801.90
Sequestration in Conservation area	-382.48	-0.00	0	0	0	-382.48
Total	-304204.29	2.13	3141.28	2.17	228270.0	535615.57

#### Summary Oil Mill Emissions and Credits

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
Emissions sources		
POME	66780.68	0.32
Fuel consumption	165.68	0
Grid electricity	525.91	0
Credits		
Export of grid electricity	0	0
Sales of PKS	-11316.80	-0.05
Sales of EFB	0	0
Total	56155.48	0.27

#### Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

**POME Divert to Anaerobic Digestion**

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

The auditor team has verified the GHG palm that has been carried out by the company. Based on the verification results, it is known that the GHG palm input data is in accordance with the actual conditions. This is evidenced by the results of verification of the amount of FFB production from Estate 1 and Estate 2, the amount of production from third parties, the amount of production from Group Plantations, planted area of Estate 1 and Estate 2, as well as the distribution of planting years, and the area of HCV.

**7.10.2 & 7.10.3**

Until this assessment was carried out there were no additional new areas made by the company. The company has identified sources of pollution in mills and plantations, the document informs the source (station/activity), sources of pollution and emissions, impacts (human, work equipment, environment) and impact control. For example, from the boiler it produces boiler ash, steam and chemical pollution, from the engine room it produces pollution in the form of noise.

Efforts to reduce pollutants carried out by the company include:

- Monitoring air quality and emissions from Boilers and Generators
- Manage liquid waste in the WWTP before it is used in plantations
- Perform regular machine maintenance.
- Optimizing the use of fertilizers according to recommendations
- Use of fiber and shells in mills to reduce diesel fuel.

The company has carried out emission tests from boilers and generators, as well as ambient air quality conducted in November 2020 by a KAN accredited laboratory (LP-516-IDN). Based on the results of the document review, it is known that the results of the assessment are in accordance with the provisions set by the Government.

**Status: Comply**

**7.11**

**Fire is not used for preparing land and is prevented in the managed area.**

**7.11.1**

The company has procedures related to land clearing and replanting which are listed in the Procedure for Land Clearing and Replanting with document number 015-SOP-AGR dated May 5, 2014. The procedure explains that Land Clearing activities must be guided by the guidelines to prevent air pollution due to burning, and preventing fires on peatlands. In addition, it was also explained that tree felling activities were carried out with chainsaws or axes. In replanting activities, environmental management is carried out, namely the Zero burning technique and is environmentally friendly.

Based on the results of field visits to the replanting areas of Blocks N22 and N23 Afdeling 9 Estate 2, it was found that there were no burn marks during the replanting activity.

**7.11.2 & 7.11.3**

In determining land fire prevention and control measures, the company carries out several activities, namely:

- Fire emergency response simulation training for employees, for example on 11 February 2020 which was attended by the Garden Fire Task Force and on 09 April 2020 which was attended by the Mill fire task force team.
- The company has an emergency response team to handle fire emergencies. The company already has an emergency response team for each plantation and mill.
- Have facilities and infrastructure for emergency response prevention and management of land fires.
- Conducting socialization of land fires to the surrounding community which was carried out on February 23, 2021, which was attended by 28 participants.
- Cooperating with the surrounding community by forming a Fire Care Farmers Group (KTPA) in 8 villages around the Company, namely:

No	Village	Establishment Date
1	Tani Makmur Village	17 September 2019

2	Petala Bumi Village	17 September 2019
3	Sibabat Village	17 September 2019
4	Petalongan Village	17 September 2019
5	Titian Resak Village	5 March 2020
6	Talang Sungai Parit Village	5 March 2020
7	Perkebunan Sungai Parit Village	5 March 2020
8	Pangkalan Kasai Village	5 March 2020

The company has involved stakeholders in locations adjacent to the company to take steps to prevent and control fires by collaborating with the surrounding community by forming a Fire Care Farmers Group (KTPA) in 8 villages around the company. This KTPA will monitor land fires in each village. In addition, the company also carried out socialization of land fires to the surrounding community which was carried out on February 23, 2021, which was attended by 28 participants.

**Status: Comply**

## 7.12

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

### 7.12.1 & 7.12.8

There were no new clearings after November 2018. Planting on PT INECDA's plantations has been carried out since 1994 and has entered a period of rejuvenation during the 1989 - 2015 period. Planting between 2005 - 2015 is a replanting activity, not new land clearing after November 2005.

The company can show an email from RSPO (khing.suli@rspo.org) on 13 August 2018 stating that Based on the disclosure that you have sent last year (as attached), there is no liability at PT Ganarea Hendara and PT Inecda. You may proceed with certification.

### 7.12.2

The company has conducted HCV identification by HCV Consultant PT Sonokeling Akreditas Nusantara in 2013 and carried out by a team who is competent in HCV assessment for each HCV aspect. The methodology for identifying HCV areas refers to the Guide to Identification of High Conservation Value Areas in Indonesia (the Indonesian Consortium for the Revision of HCV Toolkit, 2008). The assessment was carried out in the study area of  $\pm 9,443,386$  Ha. A map of the results of the identification of the HCV area is available in the form of a map of PT Inecda's high conservation value area with a scale of 1:80000.

On 20 August 2018 the company identified an internal HCV area, namely the agronomy department of the GIS section. The identification results have been approved by the management unit in accordance with Decree No. 494/SUS/INC-PKU/VIII/2018, and signed by COO (Hendry T), CFO (SUH Nyun Kook) and CEO (Lee Woong Bong). Then there is Decree No.012/SUS/INC-PKU/II/2019 from the COO dated February 25, 2019 regarding the area of PT Inecda which has been identified as an HCV area of 41.71 Ha. There is a Letter of Approval for Determining the Area of PT Inecda's HCV area dated February 25, 2019 from the HCV assessor, namely Ir. Kresno Dwi Santosa, MSi with an ALS 15009KS license who explained based on the results of an internal re-assessment evaluation that changes in the HCV area include peat areas that have been planted with oil palm which at the time of the initial HCV assessment (2013) were HCV go areas (under management put forward the principles of water management). In the Approval Letter it was explained that based on the reassessment of the HCV area (Decree No.012/SUS/INC-PKU/II/2019 dated February 25, 2019) an area of 41.71 Ha could be accepted.

### 7.12.3

Based on the notice on the RSPO website it is known that the High Forest Cover Landscapes and High Forest Cover Countries have not been established by the RSPO. So that this standard has not yet been assessed.

### 7.12.4

The company already has a management plan for HCV areas and other conservation areas that are included in the 2020 HCV management plan, some of which include:

- Socialization of the existence of protected areas and RTE Species to employees and the surrounding community
- Nurseries and insertion of woody plants in river border areas

- Staking in HCV areas
- Monitoring signboard and river border markers
- Monitoring of RTE species.

Implementation of the 2020 HCV management plan, for example:

- HCV monitoring was carried out in the period of December 2020. Based on the monitoring results, it was found that there were no disturbances such as chemist, soil erosion, and illegal logging in the HCV area.
- The insertion of hardwood plants on the borders of the Air Hitam PKS, Sungai Parit and Air Hitam Belilas rivers in November 2020 was 152 stems.
- Monitoring of flora and fauna in the December 2020 period. Based on the results of the monitoring carried out, there are species of animals such as *Bangau Kuntul*, *Elang Brontok*, *Elang Tikus*, *Cekakak Belukar*, *Lutung*, *Monyet Ekor Panjang*, *Biawak*, *Ular Kobra*, and *Kantong Semar*

In addition, the Company has an HCV area management plan for the January – December 2021 period, the preparation of the HCV Management plan was prepared based on the results of the Management review conducted on 9 February 2021. Some of the HCV management plans include:

River Border HCV Management Plan (Tani Makmur River, Siri River Border, Buluh River Border, Air Hitam PKS River Border, Air Hitam Belilas River Border, Talang Perigi River Border, Parit/Limau River Border)

- Socialization of HCV Area
- Nurseries of hardwood trees on riverbanks
- Insertion of hardwood plantations on river borders
- Provision of Stakes at the Border
- Monitoring Signboard
- Monitoring of River Border Stakes
- Monitoring of HCV Areas and RTE Species

Other HCV Area Management Plans:

- Outreach conducted to employees and the community.
- Monitoring consists of Monitoring the Signboard of the PKS Reservoir, Monitoring of F1 Water Reservoirs, Monitoring of Swamp Areas F4, and monitoring of the Petilasan Tomb of Datuk Blood Putih.
- Treatment consists of Signboard Treatment, Water Reservoir Treatment, and *Makam Datuk Darah Putih* Treatment.

#### 7.12.5

Based on the results of the study of the 2013 HCV identification report document and Decree No.012/SUS/INC-PKU/II/2019 from the COO dated 25 February 2019 regarding the PT Inecda area that has been identified as an HCV area, it is known that there is an HCV area designated by the Company. which is outside the company's HGU and is located in the community area, namely the mixed garden area and the tomb of the white blood datuk. Based on IC's assessment there is information on the agreement with the land owner, namely:

- PT Inecda has verbally communicated with Mr. Marusi (community elder) regarding the management of the HCV area of the Datok Dara Putih Sacred Tomb – there is documented evidence of this activity.
- Communication of mixed garden management in the enclave area (HCV 1.3; 1.4; 2.3) with the land owner (Mr. Subradi) – management in the form of installing signboards for the HCV area.

At the time the ASA 2 assessment is conducted the Company can show a mutual agreement or request for a permit to manage the HCV area with the land owner, namely:

- Letter Number INC/V/2021 dated 27 May 2021 regarding the application for the installation of mixed garden signboards and monitoring of mixed gardens to the land owner (Mr Subadri). The letter has been agreed upon by the land owner.
- Letter Number INC/V/2021 dated 27 May 2021 regarding the request to carry out activities for Caring for Datuk Blood Putih's grave, monitoring the grave, installing signboards and maintaining signboards The letter has been agreed upon by the land owner.

#### 7.12.6



The company has a Policy on the Prohibition of hunting for protected animals and endangered species which was passed by the Senior Manager on 19 October 2019 which explains that the prohibition of illegal hunting, trapping, and poisoning of fish in the PT Inecda area. If there is a violation of the prohibition will be fined and criminalized in accordance with Law No. 5 of 1990.

In the Decree No. 494/SUS/INC-PKU/VIII/2018 concerning Designation of HCV Areas It is explained in the decree to protect RTE Species, namely warning employees and stakeholders not to touch, maintain, injure and kill protected animals, if there is a violation, sanctions will be imposed according to with applicable regulations.

Companies can show RTE species socialization minutes to employees and the public, for example:

- Minutes of socialization on the prohibition of poisoning/stunning in the river area to 5 employees of Chemis Afdeling 2 on December 19, 2020.
- News of socialization regarding the HCV area and protected animals to 14 employees of fertilizer Afdeling 1 on October 08, 2020.
- Minutes of socialization of the no-hunting policy to 11 Afdeling IV maintenance employees on 05 February 2021.
- Minutes of socialization regarding the ban on the application of Pesticides at river borders to 7 employees of Chemis Afdeling 11 on February 6, 2021.
- Minutes of socialization of the HCV area to the community around the company took place at the Perkebunan Sungai Parit Village Office which was attended by 20 participants on 22 February 2021.

Based on interviews with chemical warehouse workers and spray workers in the Body shower of spraying team and mixing area (TUS) Estate 1 and Estate 2, it is known that the workers have understood the prohibition on hunting protected species and prohibited from maintaining and capturing protected species. Meanwhile, the results of interviews with representatives of Pematang Jaya village community revealed that the company had socialized the prohibition of hunting for protected species and the existence of HCV areas. The community is not allowed to hunt and catch animals in the company area.

#### 7.12.7

The Company has an HCV area management plan for the January – December 2021 period, the preparation of the HCV Management plan was prepared based on the results of the Management review conducted on 9 February 2021. Some of the HCV management plans include:

River Border HCV Management Plan (Tani Makmur River, Siri River Border, Buluh River Border, Air Hitam PKS River Border, Air Hitam Bellas River Border, Talang Perigi River Border, Parit/Limau River Border)

- Socialization of HCV Area
- Nurseries of hardwood trees on riverbanks
- Insertion of hardwood plantations on river borders
- Provision of Stakes at the Border
- Monitoring Signboard
- Monitoring of River Border Stakes
- Monitoring of HCV Areas and RTE Species

Other HCV Area Management Plans:

- Outreach conducted to employees and the community.
- Monitoring consists of Monitoring the Signboard of the PKS Reservoir, Monitoring of F1 Water Reservoirs, Monitoring of Swamp Areas F4, and monitoring of the Petilasan Tomb of Datuk Blood Putih.
- Treatment consists of Signboard Treatment, Water Reservoir Treatment, and *Makam Datuk Darah Putih* Treatment.

	<b>Status: Comply</b>	
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**3.2 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1 &amp; ASA-2</b>	The company has logo license under S&G BIOFUEL PTE. LTD No. 1-0238-17-100-00	✓
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-1 &amp; ASA-2</b>	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use. S&G BIOFUEL PTE. LTD Trademark License Number 1-0238-17-100-00	✓
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-1 &amp; ASA-2</b>	Implementation of Certificate and Logo is not used on product. S&G BIOFUEL PTE. LTD Trademark License Number 1-0238-17-100-00	✓
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-1 &amp; ASA-2</b>	S&G BIOFUEL PTE. LTD Trademark License Number 1-0238-17-100-00. Controlling of Certificate and Logo, including withdrawing inappropriate logo.	✓
	<b>Status: Comply</b>	

### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of S&G Biofuel against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 5.5.3. A summary of findings is as stated below.

Time Bound Plan (TBP) of S&G Biofuel is explained in table section 1. S&G Biofuel has run two (2) mills and six (6) management unit estates. All mills and estates are operated in Indonesia. S&G Biofuel has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of S&G Biofuel based on their Time Bound Plan. There are three (3) uncertified management unit of S&G Biofuel. 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

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company statement :</b> The company are already doing internal audits.</p> <p><b>Auditor verification:</b> Yes, internal audit conducted every year.</p> <p>Positive assurance is produced for these units.</p>
2.2.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12	<p><b>Company statement:</b> The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p><b>Auditor Verification :</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.2.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>company statement:</b> There is no new planting after 2010. The last new planting was conducted on 2009</p> <p><b>Auditor Verification :</b> The company didn't conduct new land clearing after 2010.</p>
2.2.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><b>Company statement:</b> There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p><b>Auditor verification :</b> The company has procedure for resolving external conflicts which explain that problem solving of conflict area is</p>

		<p>conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p>
2.2.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2	<p><b>Company statement:</b> There is no labour disputes</p> <p><b>Auditor verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Complaints Handling (No. Documents: 007-SOP- HRD validity date 03 January 2018). This procedure also protect the whistleblower's identity (anonymity) relating to or relating to the security of each complainant and also concerning information - information provided by the complainant</p>
2.2.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1	<p><b>Company statement:</b></p> <ul style="list-style-type: none"> <li>PT Inecda is still on progress to obtain HGU for an areal 135.65 Ha.</li> <li>PT Gandaerah is still on progress to obtain HGU for an areal 765.80 Ha (538.17 Ha and 227.63 Ha).</li> </ul> <p><b>Auditor verification :</b> PT Inecda has compensate the land on 2015 and now on process to obtain the HGU.</p> <p>PT Gandaerah on progress to obtain HGU for an areal 765.80 Ha (538.17 Ha and 227.63 Ha).</p>

### 3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1 (Remote)

NCR No.	:	2020.01	Issued by	:	Mohamad Amarullah
Date Issued	:	30 June 2020	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	23 July 2020
Standard Ref. & Requirement	:	1.1.5 (Non-Critical) An up-to-date list of contacts and detailed stakeholder information is available along with designated representatives.			
<b>Evidence observed (filled by auditor):</b> The unit of certification shows list of stakeholders, as follows: <ul style="list-style-type: none"><li>List of Permanent Stakeholder has lastly updated on 29 June 2020 by Public Relationship Officer and approved by Senior Manager Estate and Mill. The list informed that there were 56 identified stakeholders consist of 41 Government Institutions/Agencies, 9 community representatives, 3 labor organizations and 3 FFB suppliers</li><li>List of Contractor has lastly updated on 11 April 2020, consist of 5 Contractors for Estate and 4 Contractors for Mill.</li></ul> List of stakeholders has informed PIC, location/address, name of institution, title and contact number. However, information on other stakeholders such as previous land owner, land occupant and non-government organization (NGO) are not available.					
<b>Non-Conformance Description (filled by auditor):</b> Unit of certification is not be able to shows that all stakeholder has been identified and listed on the List of Stakeholder document, for example: previous land owner, land occupant, NGO, etc.					
<b>Root Cause Analysis (filled by organization audited):</b> Each Department or Operational Unit has not identified, update and listed their stakeholders. Furthermore, coordination of each Department/Operational Unit with the respective PIC from Public Relation Department who collect stakeholder data has not carried out properly.					
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"><li>Each Department or Operational Unit to conduct identification of stakeholders. The record of stakeholder list later on to be informed or communicated to the PIC from Public Relation Department.</li><li>Department of Public Relation will collect stakeholders data from each Department or Operational Unit and compile it properly on a bog data of stakeholders. Update on this matter will be carried out immediately when new stakeholder has listed by the respective Units.</li></ul>					
<b>Corrective Action (filled by organization audited):</b> PIC from Public Relation Department will update and communicate list of stakeholder to all Department or Operational Unit. Update will immediately carried out when additional stakeholder informed by the respective Department or Operational Unit.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 23 July 2020</b> Unit of certification shows several correction evidence as follows: <ul style="list-style-type: none"><li>List of stakeholder from each department and/or operational units, which informed PIC, location (address), institutions name, title and contact number.</li><li>List of stakeholder dated 17 July 2020 that approved by Public relation Officer and Senior Manager fro Mill and Estate. Stakeholder of PT Inecda as per 17 July 2020 has consist of several representatives, i.e.: 28 from Government</li></ul>					

Institutions/Agencies, 27 from Village and Sub-District institutions, 11 from elders or customary leaders, 5 occupants and previous land owners, 4 NGO and press, 9 internal stakeholders (labour union, gender committee, bipartite), 3 educational institutions, 7 suppliers, 23 contractors and 6 buyers.

According to root of cause and corrective action review, as well as correction evidence given, NCR No. 2020.01 is stated **closed**.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>:</b>	<b>2020.02</b>	<b>Issued by</b>	<b>:</b>	<b>Arif Faisal Simatupang</b>
<b>Date Issued</b>	<b>:</b>	<b>30 June 2020</b>	<b>Time Limit</b>	<b>:</b>	<b>27 August 2020</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>07 Juli 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>3.8.5. Documented Procedure</b> The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all elements of the supply chain model requirements. b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). c) Identification of the role 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 mill's procedures for the implementation of this standard. d) The mill shall have documented procedures for receiving and processing certified and noncertified FFBs including ensuring no contamination in the IP mill.			
<b>Evidence observed</b> (filled by auditor): In the SOP of RSPO Supply Chain Procedure (No. 016-SOP-POM Rev. 03 dated 1 January 2020), still refer to RSPO Supply Chain Certification Standard 2017. Other than that, the procedure does not regulate the provisions in indicator 3.8.16 regarding Registration of Transactions, i.e.: - Not regulate Shipping Announcement with a maximum deadline of not more than three months from dispatch. - Has not regulate the removal of stocks for production sold in other or conventional schemes, or in the case of underproduction, lost or damage.					
<b>Non-Conformance Description</b> (filled by auditor): Not all aspects in supply chain implementation covered in RSPO Supply Chain Procedure.					
<b>Root Cause Analysis</b> (filled by organization audited): The Supply Chain Procedure drafting team is still not careful enough in studying the Supply Chain Certification Standard so that there are some important elements in the supply chain implementation activities that have been missed and have not been included in the Supply Chain Procedure.					



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

1. Revise RSPO supply chain SOP No. 016 - SOP - POM by including provisions on shipping announcements with a maximum time limit of no more than three months since the dispatch.
2. Revise RSPO supply chain SOP No. 016 - SOP - POM by including provisions on remove stock for production sold in other or conventional schemes, or in the case of underproduction, loss or damage.

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

At the time of preparation of SOPs or Procedures, it is necessary to have thorough and repeated reviews by the Drafting Team, so that all elements contained in a standard can be included in all procedures that are made.

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

**Auditor Verification on 06 July 2020:**

The company is showing an update on the RSPO Supply Chain Procedure (No. 016-SOP-POM Revision 04 dated July 1, 2020). In this procedure the Shipping Announcement mechanism has been explained with a maximum time limit of not more than three months from dispatch, and remove stock for production sold in other or conventional schemes, or in the case of underproduction, loss or damage.

However, the procedure reference is still not appropriate, namely not using the Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020, and still including the RSPO Supply Chain Certification Standard Standard. **This Non conformity is still not complied.**

**Auditor Verification on 07 July 2020:**

The company demonstrated the RSPO Supply Chain Procedure (No. 016-SOP-POM Revision 04 dated July 1, 2020) and the reference has been revised using:

- Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.
- RSPO Supply Chain Certification System 2020, endorsed on 1 February 2020.
- RSPO Rules on Market Communications and Claims, November 2016, Revised January 2019.

Based on the analysis of the root causes, corrective actions, and corrective actions shown, **this nonconformity has been complied.**

**Verified by** : **Arif Faisal Simatupang**

NCR No.	:	2020.03	Issued by	:	Arif Faisal Simatupang
Date Issued	:	30 June 2020	Time Limit	:	27 August 2020
NC Grade	:	Major	Date of Closing	:	28 July 2020
Standard Ref. & Requirement	:	<b>3.8.7 Purchasing and Goods In</b> i. The mill shall verify and document the tonnage and sources of certified and the tonnage of noncertified FFBs received. ii. The mill shall inform the CB immediately if there is a projected overproduction of certified volume. iii. The mill shall have a mechanism in place for handling of non-conforming FFB and/or documents			
<b>Evidence observed (filled by auditor):</b> Based on Mass Balance data for the 12-month period prior to the audit (May 28, 2019 to May 27, 2020), it is known that certified FFB production has reached 136,795.19 mt, exceeding the permitted quota in the license (Palm Trace)					

of 135,878 mt.

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

The company has not been able to demonstrate the effectiveness of monitoring certified FFB production with existing quotas, and report to certification bodies if there is a projection of overproduction of certified products.

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

So far, the company only monitors CPO and PK production whose sales are done through Palm Trace, and for FFB production, monitoring has not been done. The perception of the company is that the quota that is not allowed to be excessive is the quota of products that can be sold through palm trace, namely the CPO and PK quotas.

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

- In addition to monitoring CPO and PK production, the company will also monitor the production of FFB with the aim that CSPO production does not exceed the quota that has been given.
- Make projection of CSPO production (FFB, CPO and PK) periodically to determine the adequacy of the quota given by the CB or the quota allowed in the Palm Trace license.
- Submitting / reporting to the CB if there is a projection of overproduction and asking for an additional quota.

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

- Making guidelines for production monitoring mechanisms for RSPO certified products (CSPO Production Monitoring IK).
- PIC in Mill and Dept. Marketing routinely conducts regular monitoring of all RSPO certified product production to prevent production that exceeds the given quota.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 28 July 2020:**

The company shown the evidences of correction and corrective action among others:

- Work Instruction (WI) of Certified Product Monitoring (No. 08-WIN-POM), set the mechanism for PIC pointed to monitor the certified FFB, CPO and PK.
- Has been made and add the variable of FFB monitoring in MB data compared to the quota permitted, alongside the CPO and PK monitoring.
- Has been made the annual FFB, CPO and PK projection and realization.
- Has been submitted to the CB the quota extension of FFB, CPO and PK.

Based on rootcause analysis, evidences of correction and corrective action delivered, this **Non Conformity stated as complied.**

**Verified by** : **Arif Faisal Simatupang**

<b>NCR No.</b>	<b>: 2020.04</b>	<b>Issued by</b>	<b>: Bayu Yogatama</b>
<b>Date Issued</b>	<b>: 30 June 2020</b>	<b>Time Limit</b>	<b>: 27 August 2020</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 9 July 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.10.2 (Critical)</b> <b>Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimize them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</b>		

**Evidence observed (filled by auditor):**

Based on the results of the calculation of GHG PT Inecda for the 2019 period using the Palm GHG Calculator V4, there are a number of evidences as follows:

- Total embedded area is 5971.23 Ha.
- Embedded area in the mineral area 1,991.97 Ha.
- Embedded area area on peat area 3,979.26 Ha

Based on the study of the Area Statement document, it is known that the total embedded area in PT Inecda is 8,130.46 Ha (there is a difference of 2,159.23 Ha) and the Peat Inventory document study reported to RSPO is known that the total area of PT Inecda's peat is 5,118.50 Ha (there is a difference of 1,139.24 Ha)

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

The company has not been able to show evidence that the GHG calculations of PT Inecda in 2019 are in accordance with the actual data.

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

The difference in the size of the calculation of the Palm GHG period 2019 with the existing area in the Statement Area or in the Peat Inventory data is because the peat area data used for GHG calculations are still using old data or data that has not been updated.

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

Recalculate the Palm GHG RSPO V4 with reference to the area of the Statement Area or with updated inventory peat data.

1. Conduct corrections to the peat inventory report for certified areas and uncertified areas.
2. Report back the results of the inventory peat correction to the RSPO GHG Unit on July 7, 2020.
3. Make corrections to the calculation of Palm GHG V4 with planting data referring to the peat inventory report.
4. Providing access to the Assessment of GHG calculations to the Auditor Team (to Mr. Yoga and cc Mr. Faisal).

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

PIC Companies related to the calculation of Palm GHG RSPO will always review and revise GHG calculations if there is a data source for the needs of GHG calculations that are changing.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 7 July 2020**

The company also has conducted GHG emission calculations period 2019 use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

**Summary of Net GHG Emissions**

Emissions per product	tCO2e/tProduct
CPO	10.02
PK	10.02

Production	t/yr
FFB processed	184,446.00
CPO produced	36,953
PK produced	8,509

Extraction	%
OER	20.03
KER	4.61

Land use	Ha
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Planted area on mineral	3070.50
Planted on peat	5171.53
Total area planted	8242.03
Conservation Area (Forested)	41.71
Conservation Area (Non-Forested)	0
FFB Production per hectare	22.38

**Summary of field emission and Sinks**

Description	Own crop		Group		3rd	Total
Emissions Sources	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	
Land conversion	40163.79	4.94	794.13	7.12	0	40957.92
CO <sub>2</sub> emissions from fertilizer	1385.45	0.17	118.3	1.06	0	1503.75
NO <sub>2</sub> emissions from peat	38315.94	4.71	396.89	3.56	0	38712.83
NOO <sub>2</sub> from Fertilizer	435.48	0.05	15.06	0.14	0	450.54
Fuel consumption	707.2	0.09	25.37	0.23	0	732.57
Peat oxidation	279470.64	34.37	2894.86	25.95	0	282365.5
Sinks						
Crop sequestration	-64128.32	-0.45	-1044.47	-9.36	-0.63	-65172.8
Sequestration in Conservation area	-382.48	0	0	0	0	-382.48
<b>Total</b>	<b>295967.7</b>	<b>2.08</b>	<b>3200.15</b>	<b>28.68</b>	<b>1.94</b>	<b>440655.4</b>

**Summary Oil Mill Emissions and Credits**

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
Emissions sources		
POME	19,275.00	0.10
Fuel consumption	200.43	0
Grid electricity	551.09	0
Credits		
Export of grid electricity	-45.77	0
Sales of PKS	-5260.20	-0.03
Sales of EFB	0	0
<b>Total</b>	<b>14720.55</b>	<b>0.08</b>

**Palm Oil Mill Effluent (POME) Treatment**

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

**POME Divert to Anaerobic Digestion**

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

The company has analyzed the root of the problem, showed evidence of improvement and planned corrective actions so that the discrepancies do not recur. Based on the evidence shown that the non-conformity is declared fulfilled.

**Verified by** : Bayu Yogatama

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1 & ASA-2**

NCR No.	: 2021.01	Issued by	: Yudhi Yuniarto
Date Issued	: 28 May 2021	Time Limit	: 26 August 2021
NC Grade	: Critical	Date of Closing	: 12 August 2021
Standard Ref. & Requirement	: 2.1.1 The unit of certification complies to relevant regulations		
Evidence observed (filled by auditor): Operator of Power and Production Equipment and Electrical OHS Expert			
1. Based on field observations in the engine room known that the certification unit has turbine engines and generator sets with the following capacities: 1. Turbine : 1000 kW / /1250 kVA / 1340.4825 HP 2. Generator Set : 440 kVA / 471,849 HP 3. Generator Set : 250 kVA / 268,096 HP			
2. The certification unit shows the following machine licensing documents: a. Steam Turbine Installation/Use Permit from the Manpower Office of Indragiri Hulu Regency with the number: 02/TB-MEK/DSTKT.04/2015. In the document it is explained that the power of the steam turbine is 1,000 kW. b. Validation of the use of Diesel Motor with the number: 01/MD-MEK/DSTKT.04/2015. In the document it is explained that the diesel motor power is 440 kVA. c. License for Installation from the Manpower Office of Riau Province with the number: 560/DISNAKERTRANS/II/2018/982. In the document it is explained that the diesel motor power is 250 kVA. d. License for Installation/Use of Diesel Motor from the Manpower Office of Riau Province with the number: 560/DISNAKERTRANS/II/2018/982. In the document it is explained that the diesel motor power is 250 kVA.			
3. Permenaker No. 38 of 2016 in Articles 110, 111 and Table E it is explained that for a prime mover engine with a power > 214.47 HP, one person must have a class I and class II power and production operator each.			
4. Permenaker No. 12 of 2015 in Article 7 it is explained that for companies that have power plants of more than 200 kVA, they are required to have Electrical OHS Experts.			
5. The certification unit shows the 2021 Mill Operator license list document where the certification unit has 2 operators of diesel engines with a validity period of 29 April 2024. However, the certification unit does not yet have a licensed for turbine engine types and electrical OHS expert.			
Non-Conformance Description (filled by auditor): Based on this evidence, it is known that the certification unit does not yet have a licensed for turbine operator and electrical OHS expert in accordance with applicable legal obligations			
Root Cause Analysis (filled by organization audited): The certification unit has not yet fully identified and evaluated the laws and regulations related to OHS, especially those relating to the fulfillment of the obligation to implement competency training and ownership of licenses for operators at several work stations. For example, training and licenses for operators working on power planes and production of turbine engine types, as well as training and licenses for Electrical K3 Experts for workers related to electrical work or those working in power plants with a capacity of more than 200 kVA.			
Correction (filled by organization audited): 1. Re-evaluate the OSH laws and regulations, and make plans for their fulfillment. 2. Revise the TNA / analysis of training needs, by adding training for power & production aircraft operators for turbine engine types and training for Electrical OHS Experts for workers related to electrical work / those working in the power plant section. 3. Cooperate with providers/PJK3 for the implementation of training and licensing of power & production aircraft operators for turbine engine types and training for OHS Experts in the Electrical Sector.			

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

1. Routinely/periodically evaluate the laws and regulations.
2. Routinely/periodically conduct an analysis of training needs in each Section/Department.
3. Monitoring the license validity period of all operators or workers in the mill and estate.

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

**Verification 10 August 2021**

The certification unit shows evidence of improvement as follows:

1. List of OHS rules and regulations in 2021. In the compliance evaluation section, a training plan for Turbine Operators and Electric OHS Experts has been added.
2. Letter from Inecda's Mill Manager to the Learning Center Manager dated August 5, 2021 regarding training requests for Electrical OHS Expert (1 person), Class I Turbine Operator (2 people) and Class II Turbine Operator (2 people).
3. Letter from PT Berkarya Jaya Inspeksi dated July 21, 2021 regarding the offer of education and training for OHS certification and licenses from the Indonesian Ministry of Manpower
4. Submission of training through the Training Request Form for Electrical OHS Experts (1 person), Class I Turbine Operators (2 people) and Class II Turbine Operators (2 people) dated August 5, 2021 to PT Berkarya Jasa Inspection.
5. Internal Memo from Legal Department with No. 022/GH/OPR-GNI/VIII/2021 dated 6 August 2021 regarding External Training for Turbine Operators Employed of PT Inecda which has been approved by the COO and CFO. However, in the internal memo there is no name of the employee who was proposed to take part in the Electrical OHS Expert training.

**Verification 12 August 2021**

The certification unit shows the Internal Memo from the Legal Department with No. 024/INC/OPR-GNI/VIII/2021 dated August 10, 2021 regarding the External Training for Electrician of PT Inecda which has been approved by the COO and CFO.

Based on the foregoing, the discrepancy is declared to be fulfilled with the observation notes in the next assessment.

**Verified by** : **Yudhi Yuniarto**

NCR No.	: 2021.02	Issued by	: Yudhi Yuniarto
Date Issued	: 28 May 2021	Time Limit	: 26 August 2021
NC Grade	: Critical	Date of Closing	: 10 August 2021
Standard Ref. & Requirement	3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor):			
1. OSH Hazard and Risk Identification Document for estate with document number FRM-ISP-P001/02 which was approved on 16 February 2021. The document includes identification of hazards and potential risks for estate operational activities starting from land clearing to workshop.			
2. OHS Hazard and Risk Identification Document for mill with document number FRM-ISP-P001/02 which was ratified on March 20, 2021. The document includes identification of hazards and potential risks for mill operational activities starting from office activities to evacuation of conditions emergency.			
3. Based on field observations in the estate area show that there are still activities/conditions that have not identified potential hazards and risks, including but not limited to:			
a. Antigonon fence using barbed wire (Estate 1 and 2).			
b. Barbed fence in the immature area (Estate 1 and 2).			
c. Harvest on extra high voltage (Estate 1) overhead lines.			
d. Install the Oryctes net.			
e. Storage of work tools (dodos) in employee housing.			



- f. Owl monitoring (*Tyto alba*).
- g. Stand on the side of the tractor while loading the FFB.
- h. Unclosed rotating machine.

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

The certification unit has not been able to show sufficient evidence that the document identification of the source of danger and risk control owned by the company has accommodated all activities/conditions that are a source of danger in the plantation and factory areas.

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

In the preparation of the OHS Hazard and Risk Identification Document, the entire Division/Department in the estate or mill has not been involved, so that not all potential hazards and risks in the estate & mill Unit have been identified and entered into a risk assessment.

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

1. Each Section/Department together with HSE (Company OHS Expert) undertakes the preparation of identification of risks and hazards in their respective workplaces.
2. Revise the HIRADC Document, jointly carry out a risk and hazard assessment for all activities/conditions that are a source of danger by involving all Sections or Departments in the estate and mill.
3. Dissemination of the revised HIRADC Document to employees/workers in each estate/mill Unit.

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

Each Head of Section/Department is obliged to convey to the estate and mill Management and also to HSE (Company OHS Expert) if in their workplace there are activities/conditions that could be a source of danger. And for further identification and assessment of hazard risks on the sources of these hazards.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 29 July 2021**

The certification unit shows evidence of improvement as follows:

1. Minutes of meeting, documentation, and attendance list for the HIRADC revision meeting on 4 June 2021 (plantation) and 21 July 2021 (factory).
2. Revised HIRADC document for plantation and mill units

But unit certification not yet provide training evidence to relevant parties. Non-conformity is still open.

**Verification 10 August 2021**

The certification unit shows evidence of improvement consist of HIRADC socialization which was held on August 5-7, 2021 to employees in each afdeling. The company can show documentation and attendance list for the event.

Based on the foregoing, the discrepancy is declared to be fulfilled with the observation notes in the next assessment.

**Verified by** : **Yudhi Yuniarto**

<b>NCR No.</b>	<b>: 2021.03</b>	<b>Issued by</b>	<b>: Afiffudin</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: 26 August 2021</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: 05 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.1.1 A policy to respect human rights, including prohibiting retaliation against Human Rights</b>		

	<b>Defenders (HRDs), prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. This policy is documented and communicated to all levels of the workforce, operations, supply chain and local communities.</b>
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The company has a Human Rights Policy of PT Gandaerah Hendana and PT Inecda, which was signed by the Director of Operations on 17 February 2020.</li> <li>The company has shown evidence of socialization to the worker, including through new employee orientation activities.</li> <li>Interview results with contractor CV Murah Rizki revealed that the contractor had not received any socialization on human rights policies.</li> <li>The company has not been able to show documentary evidence of the socialization of the Human Rights Policy to the supply chain (contractors, suppliers, etc.) and the local community.</li> </ul>	
<b>Non-Conformance Description (filled by auditor):</b> Based on the explanation above, there is no evidence that the policy to respect human rights has been communicated to the supply chain and local communities.	
<b>Root Cause Analysis (filled by organization audited):</b> The Company PICs (HSE Team, HRD and Public Relations) who are responsible for implementing policy socialization do not yet know that policies related to Human Rights, apart from being socialized to internal companies, are also required to be conveyed or disseminated to stakeholders or the company's supply chain.	
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Updating the Company's Supply Chain List (suppliers, contractors and communities around the company)</li> <li>Create a work plan for the socialization of the Company's human rights policy to the supply chain and local communities</li> <li>Socializing the Human Rights Policy to the entire supply chain of the company, such as; suppliers, contractors and the community around the company. Socialization is carried out by various methods, including; directly socialization or through electronic media such as email and other electronic messages.</li> <li>The company will soon send an updated Company Supply Chain List</li> <li>Company Policy Management Mechanism</li> </ol>	
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>The company will update the Company's Supply Chain List periodically and convey or disseminate the policies that exist in the company.</li> <li>The Central SOP Department conveys information/socialization to all Departments/Sections related to Corporate Policy Socialization Activities and Supply Chain List Updates, the mechanism of which is as follows: <ul style="list-style-type: none"> <li>Each Head of Department/Section to always convey information to the SPO team of Mill/ Estate if there are additions or changes to the supply chain in their respective Departments.</li> <li>The SPO team of Mill/ Estate updates the Supply Chain List according to the information obtained, and in addition to monitoring and requesting updated supply chain data from each Department every 6 (six) months.</li> <li>Each Department conveys or disseminates Company Policies to the entire supply chain or stakeholders under the scope of its department.</li> <li>After conducting the socialization, each Department sends a recording of the proof of socialization to the SPO team of Mill/ Estate for archives.</li> <li>Company policies and other company-related information can be accessed via the link <a href="http://www.gandaerah.com">http://www.gandaerah.com</a></li> <li>Due to the current Covid-19 pandemic, socialization can be done online/virtually or using email and other media to mitigate the spread of the corona virus.</li> </ul> </li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 28 July 2021</b> The company shows evidence of improvement as follows: <ol style="list-style-type: none"> <li>Human Rights Policy Socialization Plan to Inecda POM Supply Chain/ Stakeholders in June – August 2021.</li> </ol>	

2. Socialization of Human Rights Policy, on 9 June 2021, in Afdeling IX and X which was attended by 131 participants.
3. Minutes of Socialization on Company Policy of PT Inecda, dated June 12, 2021 in the estate meeting room, covering Human Rights Policy, Code of Ethics, Prohibition of Employment of Minors and Protection of Morality and Sexual Harassment, which was attended by 2 contractors namely CV M. Rizki and CV. Dian Sejahtera
4. Minutes of Socialization on PT Inecda's Human Rights Policy, dated June 22, 2021 at the Tani Makmur Village Meeting Building, which was attended by 27 participants.
5. Minutes of Socialization of Human Rights to the Supply Chain (SPSI of the Inecda POM), dated June 24, 2021.
6. Minutes of Socialization of Human Rights to the Supply Chain (Warung Usaha Mandiri), June 15, 2021.
7. Minutes of Socialization of Human Rights to Supply Chains (Nila Stores, Sumber Cahaya Stores, Al Hidayah Stores and Prima Travel), dated June 3, 2021.
8. Minutes of Socialization of Human Rights to Supply Chains (Toko Titia Mas, Refill Depot), dated June 8, 2021.
9. Minutes of Socialization of Human Rights to Supply Chains (CV. Intel Computer Stores and Diesel Duta Stores), dated June 15, 2021.
10. Minutes of Socialization of Human Rights to Residents of Housing Mill, dated June 16, 2021, which was attended by 21 participants.
11. Socialization via email to PT Mitra Jaya Pertiwi (Contractor) and PT Sucofndo (Contractor) on July 28, 2021.
12. Socialization via email to PK CPO Transport Contractors (Cahaya Timur Sarana Mandiri, Liliانا Jaya Sejati, Mestika Jaya, Mitra Sarana Sejahtera, Shaqia Artha Jaya, Sumatera Sarana Sekar Sakti, Wijaya Manggala Premier Lestari) and Trading (Apical Group, Permata Hijau Group, PT SMART, PT Wilmar Nabati Indonesia, PT Multimas Nabati Asahan) on 26 July 2021.

But company not yet provide the update of list stakeholder and Company Policy Management Mechanism. Based on the evidence, Non-conformity No. 2021.04 is open.

#### **Verification 5 August 2021**

The company shows evidence of improvement as follows:

1. List of Stakeholders of PT Inecda for estate and mill, updated April 30, 2021, which describes government agencies, village and sub-district officials, community leaders/ traditional leaders/ religious leaders, occupant in HGU & land owners, NGO/ Press, labor unions, academics, suppliers, goods/service contractors and buyers.
2. Company Policy Management Mechanism, which among other things explains that the designated person in charge is the head of each department/section and every 6 months updates the supply chain list and conveys socialization, then reports to the Estate/ Mill SPO Team. Company policies and other information related to the company can be accessed at the link <http://www.gandaerah.com>. The socialization of the mechanism to the person in charge was carried out via email due to the Covid-19 pandemic on August 2, 2021.

Root cause analysis, evidence of corrective action and preventive actions have been accepted.

Then the Non-conformity in this indicator is declared closed and will be observed again in the next assessment.

<b>Verified by</b>	<b>: Afiffudin</b>
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<b>NCR No.</b>	<b>: 2021.04</b>	<b>Issued by</b>	<b>: Afiffudin</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: ASA-3</b>
<b>NC Grade</b>	<b>: Non-Critical</b>	<b>Date of Closing</b>	<b>: 19 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.2.2 Procedures are in place to ensure the system is understood by affected parties, including by illiterate parties.</b>		

**Evidence observed (filled by auditor):**

- The company has a Complaints Procedure for External Parties, document number 005-SOP-LGL, effective 1 September 2020, but does not include procedures to ensure that the system is understood by affected parties, including those who cannot read and write.
- Based on the results of interviews with management, it is known that there is no procedure in place to ensure that the system is understood by affected parties, including those who cannot read and write.

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

Based on the explanation above, there is no evidence that there is a procedure in place to ensure that the system is understood by affected parties, including those who cannot read and write.

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

In the preparation of Procedure No. 005 – SOP – LGL on Complaints from External Parties, still does not refer to the latest RSPO principles and criteria as a whole.

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

Reviewing Procedure No. 005 – SOP – LGL on Complaints from External Parties and make revisions so that the procedure can be known and the system can be understood by affected parties, including those who cannot read and write through an oral delivery system either directly to the affected party or through a designated representative by affected parties.

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

Inform all Users/ Document Owners so that in the future in compiling or revising Documents (Manuals, SOPs, IK, Forms) always refer to the laws and regulations, applicable standards and also refer to existing policies in the Company.

For document management and monitoring mechanisms, the following are applied:

- The team related to the preparation of the list of laws and other standards (OHS Team, Environment, Labor, Legal, Agronomy) submits to the DC (Document Controller) if there are new Laws and Regulations or new Standards related to the operations of factories and plantations.
- DC forwards the information received to the Document Owner (User) related to the new Rules/ Standards and informs the Document Owners to review and synchronize the new Rules/ Standards with existing Documents.
- If the contents of the Document are deemed irrelevant and need to be updated, the Document Owner will then form a Document Compilation Team and revise it by referring to the new Rules/ Standards.
- The Document Owner then makes a request for document creation or revision and sends it to DC, and sends the revised document for review of the document content, document template and editorial.
- After a joint review by all Sections/ Departments related to the document made/ revised, the final document is approved and sent back to DC for registration and distribution.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 26 July 2021**

Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.

**Verification 05 August 2021**

Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.

**Verification 19 August 2021**

The company shows evidence of improvement as follows:

1. Procedure for Complaints from External Parties, document number 005-SOP-LGL, No. Revision 01 (30 June 2021), effective date 1 September 2020, which among others explains there are 3 points of document changes that discuss:
  - Additional responsibilities for the Public Relations section, such as socializing the complaint resolution mechanism contained in the procedure to external parties related to the company and informing about the progress or progress of complaints submitted by affected parties.
  - Socialization to affected parties, including those who cannot read and write through an oral delivery system, either directly to the affected parties or through representatives appointed by the affected parties.

2. Socialization to all users/ document owners so that in the future in compiling or revising Documents (Manual, SOP, IK, Form) always refer to the laws and regulations, applicable standards and also refer to existing policies in the Company, which is carried out by email on August 4, 2021.
3. Minutes of Socialization of SOP Complaint Procedures for External Parties, dated August 5, 2021 to FFB suppliers.
4. Minutes of Socialization of SOP Complaint Procedures for External Parties, dated August 10, 2021 to Dusun II Sibabat Village.
5. Minutes of Socialization of the SOP for External Party Complaints Procedure, dated August 3, 2021 to external stakeholders from Bukit Petaling Village, Sibabat, Tititan Resak, Kamiri River, Pasir Bongkal and others.

Based on the root cause analysis submitted, the evidence of improvement shown and the preventive actions that have been taken, the non-conformity in this indicator is closed.

**Verified by** : **Afiffuddin**

NCR No.	: 2021.05	Issued by	: Hasiholan Sihombing
Date Issued	: 28 May 2021	Time Limit	: 26 August 2021
NC Grade	: Critical	Date of Closing	: 31 July 2021
Standard Ref. & Requirement	: 4.4.1 Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.		
Evidence observed (filled by auditor): From the results of the document review and field observations, the following evidences were found: <ul style="list-style-type: none"><li>HGU Certificate Number 1 of 1992 dated April 1, 1992 with an area of 6,357,4568 Ha has expired on December 31, 2020.</li><li>Then there is the Decree of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No: 29/HGU/KEM-ATR/BPN/IV/2021 dated April 29, 2021 concerning Extension of the Term of Cultivation Rights on behalf of PT Inecda in Indragiri Hulu Regency, Riau Province which decided to grant PT Inecda an extension of the period of HGU over a total land area of <b>5,743.3420 Ha</b>. This area is reduced by 579,1125 Ha from the cadastral re-measurement area of the previous HGU which has expired on December 31, 2020 with the following details:<ul style="list-style-type: none"><li>An area of 90.7676 ha for the area controlled by the community</li><li>An area of 217,4280 ha overlaps with HGU No. 19 year 2000</li><li>An area of 12,4804 ha for the river area (river body)</li><li>An area of 0.4432 ha for the PLN Sutet tower site area</li><li>An area of 207.1883 ha for areas indicated to be in Convertible Production Forests (HPK)</li><li>An area of 50.8050 ha for areas indicated to be in the Water Catchment Protected Area (KLRA)</li></ul></li><li>Based on field visits to the issued areas and based on the indicated operational map of PT Inecda, it is known that the indicated areas are in Convertible Production Forests (HPK), namely in block A16 Division 7 Estate 2 and those indicated are in The Water Catchment Protected Area (KLRA), which is in block A17 Division 7 Estate 2, is already planted with oil palm and is still under the management of PT Inecda, so that at the time of this surveillance audit, the area no longer has any land rights.</li><li>The company showed that for areas indicated as being included in convertible Production Forest (HPK) areas, the process for submitting HPK releases has been carried out since 2016 to the Ministry of Environment and Forestry of the Republic of Indonesia and has obtained a recommendation of ±1,288 hectares of area that can be released from The Integrated Team for Applications for the Release of Convertible Production Forest Areas in May 2019, however, until this audit took place, the issuance of the Decree for the Release of HPK has not yet been published and is in process.</li></ul>			

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

Based on this evidence, it is concluded that there is an area that is still under the management of PT Inecda covering an area of ± 257.9933 Ha that does not have legal documents showing legal land use rights.

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

Decree (SK) of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No: 29/HGU/KEM-ATR/BPN/IV/2021 concerning the Extension of the Term of Cultivation Rights on behalf of PT Inecda was issued on 29 April 2021 and a new decree received by the company about a week from the date of issuance, so no management or settlement steps have been taken.

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

1. Revise the Time Bound Plan and Partial Certification, and submit or report to the Certification Body (Management of PT. Mutu Agung Lestari).
2. Determine areas indicated by HPK and KRLA as non-certified areas, separate production from these areas and the company does not claim production from these areas as RSPO certified products. Supporting documents include, among others, a letter of determination of the release of HPK and KRLA areas, a map of the separation of certified and non-certified area blocks, IK for the separation of certified and non-certified FFB, proof of marking the boundaries of area separation and socialization/briefings to all workers regarding the separation of production from production. the area.
3. Follow up on legality management for areas indicated by HPK and KRLA to the relevant government agencies.

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

1. The HGU renewal process is carried out at least 2 years before the HGU expires, so that the company can quickly get information if there are changes to the company's previous HGU area.
2. Establish better coordination with the Agency that stipulates the Decree on the Extension of the HGU, so that information can be obtained quickly if there is any or the conditions that cause the change in the area of the Company's HGU.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 26 July 2021**

The company has explained root cause analysis and corrective actions. The company also shows evidence of improvements as follows:

- Notification of changes to the scope of PT Inecda's RSPO certification to Mutuagung Lestari on July 21, 2021 in which it is stated in the letter that PT Inecda has determined areas that are not included in the extension of the new HGU as areas that are not RSPO certified and will perform the separation of production and do not make claims on production originating from the area that has not been certified as certified products as of August 1, 2021.
- PT Inecda's internal COO memo (No: 319/SPO/INC-PKU/VII/2021 dated 21 July 2021 addressed to the Plantation Senior Manager and Mill Manager regarding the determination and management of blocks that are not RSPO certified. In the memo it is explained technical determination and management of blocks that are not RSPO certified.
- The company sent back the latest Timebound plan which includes the area indicated by the Convertible Production Forest (HPK) of 207.19 Ha and the area indicated by the Water Catchment Protected Area (KLRA) of 50.80 Ha at PT Inecda as uncertified area and planned to be certified by June 2023.
- Map with a scale of 1:50,000 showing the location of areas that are not yet RSPO certified and areas that are the scope of RSPO certification.
- Details of the blocks that enter the HPK indicated area (207.19 Ha consisting of planted area, housing and other areas) as well as those that enter the indicated Water Catchment Protected Area (50.80 Ha consisting of planted area, housing and other areas).
- Documents showing the application process for forest area release, such as a letter of application for release of forest area to the Minister of Environment and Forestry, receipt of application by BKPM to a letter requesting the Governor's consideration for the release of convertible production forest area for PT Inecda plantation.
- Screen capture evidence of PT Inecda's communication with the Riau Provincial PUPR staff regarding the progress of the Riau RTRW revision which will remove the area indicated by KLRA in PT Inecda from the Riau RTRW due to actual conditions on the ground that the area has been planted with oil palm plantations.
- PT Inecda Certified FFB Separation Work Instruction (No: 01-WIN-AGR, January 1, 2019).
- Minutes of socialization of Certified FFB Separation IK and marking of uncertified area boundaries at PT Inecda's



<p>Plantation 1 to harvest workers, FFB carriers and field supervisors on July 24, 2021 (along with photos and proof of attendance list of participants in the socialization).</p> <ul style="list-style-type: none"> <li>Minutes of the socialization of Certified FFB Separation IK and marking of uncertified area boundaries at PT Inecda's Plantation 2 to harvest workers, FFB carriers and field supervisors on July 24, 2021 (along with photos and proof of attendance list of participants in the socialization).</li> </ul> <p>Based on the root cause analysis, corrective actions and evidence of improvement shown, it can be concluded that the Non-conformity in the indicators with critical category is closed and will be observe during next assessment.</p>	
<b>Verified by</b>	<b>: Hasiholan Sihombing</b>

NCR No.	: 2021.06	Issued by	: Afiffudin
Date Issued	: 28 May 2021	Time Limit	: ASA-3
NC Grade	: Non Critical	Date of Closing	: 19 August 2021
Standard Ref. & Requirement	6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified in accordance with applicable regulations in Indonesia.		
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>Based on interviews with upkeep workers at Estate 2, it is known that the person concerned is a new mother (who is breastfeeding a 4-month-old child). However, the person concerned was never asked for an opinion regarding the needs of new mothers.</li><li>Based on the results of interviews with representatives of the Gender Committee, it is known that the person concerned has never been asked for an opinion regarding the needs of new mothers.</li><li>Based on the results of interviews with management, it is known that the company has not assessed the needs of new mothers by asking for their opinions (new mothers).</li></ul>			
Non-Conformance Description (filled by auditor): <p>Based on the explanation above, there is no evidence that the management has conducted an assessment of the needs of new mothers by asking for their opinion, and taking action to meet the needs that have been identified in accordance with applicable regulations in Indonesia.</p>			
Root Cause Analysis (filled by organization audited): <p>The company has not fully identified the fulfillment of the laws and regulations related to manpower, especially those related to the needs of workers/ mothers who have just given birth. This is because currently most of the identification activities of laws and regulations are still carried out by the HSE Team, both identification of laws and regulations related to OHS, Environment, Employment, Legality or Plantation Business. It is very possible that there are laws and regulations that are not identified, especially in parts that are not/less controlled by the HSE Team.</p>			
Correction (filled by organization audited): <ol style="list-style-type: none"><li>Identify the needs of new mothers in accordance with applicable laws and regulations and make plans to fulfill them.</li><li>Create data or conduct an inventory of female workers/ mothers who have just given birth in all Units (estate and mill).</li><li>The HRD team and Heads of Sections/Departments, in a participatory manner asked the opinions of the new mothers regarding their needs.</li></ol>			
Corrective Action (filled by organization audited): <p>Regularly/ periodically evaluate the laws and regulations, and if there are regulations that are relevant to the operational</p>			

activities of oil palm plantations, a fulfillment plan will be made.

Mechanisms for the implementation of Identification and Evaluation Activities for Compliance with Laws and Regulations and other Requirements that would be applicable in all Sections/Departments/Units:

- Currently, most of the activities of identifying laws and regulations are still being carried out by the HSE Team, both identifying laws and regulations related to OHS, Environment, Employment, Legality and Plantation Business. It is very possible that there are laws and regulations that are not identified, especially in parts that are not/less controlled by the HSE Team.
- To prevent unidentified laws and regulations, the implementation of the Identification and Evaluation of Legislation Compliance activities is determined as follows:
  - Identification and Evaluation of Legislative Rules related to OSH → carried out by the HSE/ OHS Team
  - Identification and Evaluation of Environmental Laws and Regulations → carried out by the HSE Team/ Environmental Personnel
  - Identification and Evaluation of Labor-related Laws and Regulations → carried out by the HRD Team
  - Identification and Evaluation of Laws and Regulations related to Legality → carried out by the Legal Team/ Public Relation
  - Identification and Evaluation of Legislation related to Plantation Business → carried out by Legas Team/ Public Relation/ Agronomy/ and HSE Team
- The team for compiling the list of laws/other standards (OHS Team, Environment, Labor, Legal, Agronomy) searches/searches for laws and regulations or other standards related to plantation/mill operations and information on changes by contacting related parties or looking on the website .
- Furthermore, the Team will identify and take stock of other laws/standards relevant to plantation/factory activities.
- After identification, the Team prepares a plan for the fulfillment or implementation of the obligations contained in the applicable laws and standards.
- Evaluate compliance with the application of laws and regulations and other standards related to plantation/factory operations on a regular basis at least once a year.
- If there are changes to laws and regulations or other requirements related to plantation/mill operations (additions, cancellations, revisions), the list of laws and regulations must be updated.

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

**Verification 26 July 2021**

Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.

**Verification 05 August 2021**

Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.

**Verification 19 August 2021**

The company shows evidence of improvement as follows:

1. Evidence of socialization of the Implementation Mechanism for Identification & Evaluation of Legislation and Regulations to all PICs via email on August 4, 2021.
2. Plan for Fulfillment/Compliance with Legislative Regulations Related to the Needs of New Mothers Giving Birth to mill and estate, which explains the laws and regulations, articles/paragraphs, aspects that must be carried out, compliance plans, fulfillment status and PIC.
3. Data for new mothers giving birth for the period January - July 2021, namely 6 people from estate.
4. Minutes of Requesting Opinion on the Needs of New Mothers Giving Birth in estate, dated August 14, 2021, which resulted in 5 needs for new mothers.
5. Minutes of Participatory Meeting with mill Employees, 7 August 2021.
6. Table of Needs Assessment for PT Inecda's New Mothers and their status and PIC.

Based on the root cause analysis submitted, the evidence of improvement shown and the preventive actions that have been taken, the non-conformance in this indicator is closed and will be re-observed in the next assessment.

**Verified by** : **Afiffuddin**

<b>NCR No.</b>	<b>: 2021.07</b>	<b>Issued by</b>	<b>: Yudhi Yuniarto</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: ASA-3</b>
<b>NC Grade</b>	<b>: Non Critical</b>	<b>Date of Closing</b>	<b>: 20 September 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.7.2</b> <b>Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed</b>		
<b>Evidence observed (filled by auditor):</b> <b>First Aid Kit</b> <ol style="list-style-type: none"> <li>1. <i>Permenaker</i> No. 15 of 2008 concerning First Aid for Accidents in the Workplace, which in Appendix II explains that the contents of the First Aid box are 21 types.</li> <li>2. Letter from PT INECDA Polyclinic Doctor number 004/Klinik-INC/07/2018 regarding Drug Recommendations for First Aid Bags explaining that the types of equipment recommended in first aid kits in the field are 17 types.</li> <li>3. Based on field observations and checking the first aid kit in the field found the following evidences: <ol style="list-style-type: none"> <li>a. Harvesting at Block K16 Afdeling IX Estate 2: there are no mites, tweezers, guidebooks and monitoring.</li> <li>b. Harvesting at Blok M29 Afdeling VIII Estate 2: only contains betadine, alcohol, scissors, mitela and bandages.</li> <li>c. Toxic and hazardous waste temporary storage area and spare parts warehouse: Alcohol and Betadine have expired.</li> </ol> </li> </ol>			
<b>Fire Extinguisher (APAR)</b> <ol style="list-style-type: none"> <li>1. SOP for the Management of Fire Extinguishers with document number 026-SOP-ISP dated January 2, 2014 which explains the procedures for installing, placing, maintaining, using and inspecting APAR.</li> <li>2. <i>Permenakertrans</i> No. 4 of 1980 concerning the terms of installation and maintenance of fire extinguishers, it is known that there are differences in the installation of fire extinguishers in the pole and wall areas where when the fire extinguisher is installed on the wall it is given a triangle symbol and if it is installed on the pole it is given a circular symbol with a thickness of 20 cm with a height of 125 cm from the surface. land.</li> <li>3. Based on field observations in estate and mill as well as observations related to fire extinguishers found the following evidences: <ol style="list-style-type: none"> <li>a. The installation of the fire extinguisher on the pole is not in accordance with the procedures at the Boiler Station, Clarification Station and Sterilizer Station.</li> <li>b. There is no fire extinguisher at the top floor Sterilizer Station.</li> <li>c. The height of the fire extinguisher is not in accordance with the procedure and there is no fire extinguisher symbol on the wall in the Estate 1 and Estate 2 offices.</li> <li>d. The placement of the fire extinguisher in the TUS Estate 1 house was not in accordance with the procedure (on the floor).</li> <li>e. The placement of the fire extinguisher in the Estate 1 and Estate 2 generator rooms is not in accordance with the procedure (above the door) and there is no fire extinguisher symbol.</li> </ol> </li> </ol>			
<b>Non-Conformance Description (filled by auditor):</b> Based on this evidence, it is known that there are facilities and infrastructure for handling emergency situations that are not in accordance with the procedures established by the certification unit and related regulations.			
<b>Root Cause Analysis (filled by organization audited):</b> The application of laws and SOPs in companies related to procedures and provision of emergency infrastructure is still not consistent, in addition to monitoring compliance has also not been going well.			
<b>Correction (filled by organization audited):</b>			

1. Disseminate the rules of law and SOPs related to procedures, provision and monitoring of emergency facilities to all persons in charge in all estate and mill Units.
2. Provide equipment or contents of the First Aid Box and First Aid Bag according to the Recommendation Letter from the PT INECDA Polyclinic Doctor number 004/Klinik-INC/07/2018.
3. Replace the contents or drugs in the expired first aid kit/ first aid bag.
4. Provide Fire Extinguisher at stations that are not yet available of Fire Extinguisher.
5. The procedure for placing and installing Fire Extinguisher refers to Permenakertrans No. 4 of 1980 and SOP No. 026-SOP-ISP concerning the Management of Light Fire Extinguishers (APAR).

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

1. Monitoring the suitability of the contents and expiration date of medicines or contents in the First Aid Box/ First Aid Bag on a regular basis.
2. Monitoring the need for fire extinguishers and the suitability of procedures for installation and placement as well as the feasibility of fire extinguishers on a regular basis in estate and mill.

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

**Verification 20 September 2021**
**Fire Extinguishers (APAR)**

The company shows evidence of improvement as follows:

1. Minutes of repair and installation of APAR signs/symbols at kernel, sterilizer, dispatch, and boiler stations which was held on July 6, 2021.
2. Minutes of repair and installation of APAR signs/symbols on housing C03, housing F14, housing H03, housing C12, spray unit (TUS), and generator engine room on July 6, 2021.
3. Minutes of repair and installation of APAR signs/symbols on housing N32, and housing N17 on July 26, 2021.
4. Minutes of repair and installation of APAR signs/symbols on housing I18, housing C11 and housing C04 on August 12, 2021.
5. Minutes of socialization of laws and SOPs for Emergency Response which were carried out in each afdeling and factory on August 16 and June 21, 2021. The company also showed the attendance list, documentation and socialization materials.

**First Aid Box/ Bag**

The company shows evidence of improvement as follows:

1. The form for checking the completeness of the first aid bag for estate and first aid kit for mill for the period of May 2021.
2. Minutes of replacement of the contents of the first aid kit on May 25, 2021, located at the material warehouse and hazardous waste warehouse.
3. The form for checking the completeness of the first aid bag for estate and first aid kit for mill for the period of June 2021.
4. Minutes of handing over the contents of the first aid kit to the foreman of Estate I and Estate II of PT Inecda on 23 June 2021.

Based on the foregoing, the Non-conformity is closed and will be observe in the next assessment

**Verified by** : **Yudhi Yuniarto**

<b>NCR No.</b>	<b>: 2021.08</b>	<b>Issued by</b>	<b>: Yudhi Yuniarto</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: 26 August 2021</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: 4 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations,</b>		

	<p><b>such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</b></p>
<p><b>Evidence observed (filled by auditor):</b></p> <ol style="list-style-type: none"> <li>1. The certification unit has a Personal Protective Equipment (PPE) Matrix document that explains the types of PPE used for each type of work, both in the plantation and in the factory.</li> <li>2. Based on field observations found the following evidence:               <ol style="list-style-type: none"> <li>a. In the FFB transport activity at Block L33 Division 7 Estate 2 there are 2 employees who do not use helmet when working.</li> <li>b. In harvesting activities at Block K16 Division 9 Estate 2, there was 1 employee who did not use helmet when working.</li> <li>c. In FFB transportation activities in Block I12 Estate 1, there are 2 employees who do not use helmet when working.</li> </ol> </li> <li>3. Based on interviews with TBS transport employees, it is known that these employees do not use PPE at work because they forgot to bring the PPE.</li> </ol> <p><b>Non-Conformance Description (filled by auditor):</b> Based on this evidence, it is known that there are employees who do not use PPE in accordance with the PPE matrix that has been set by the certification unit at work</p>	
<p><b>Root Cause Analysis (filled by organization audited):</b> The implementation of the OHS norm rules (especially the obligation to use PPE) has not gone well, as well as the supervision of the observance of the OHS rules.</p>	
<p><b>Correction (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. Disseminate SOP No.019 – SOP – ISP regarding Obligations and Management of Personal Protective Equipment and compliance with OHS Norms applicable in the company, to all employees.</li> <li>2. The Management of estate and mill issues a Decree containing, among other things; that all Foremen and Assistants are responsible for socializing OHS, providing PPE needs and ensuring that workers under their supervision always comply with OHS norms including the use of PPE, for employees who do not use PPE that has been determined by the company are not allowed to work before completing and using PPE Therefore, Management will provide disciplinary sanctions for employees who do not comply with the established OHS norms.</li> </ol>	
<p><b>Corrective Action (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. Creating and increasing employee awareness regarding OHS Rules is not only limited to the use of PPE, through OHS socialization activities, OHS campaigns and <i>SMK3</i> assessments in each section or department.</li> <li>2. Increase the effectiveness of the implementation of the <i>SMK3</i> Assessment Competition which has been carried out every month (where one of the assessment items is about the observance of the use of PPE).</li> </ol>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 04 August 2021</b> The certification unit shows evidence of improvement as follows:</p> <ol style="list-style-type: none"> <li>1. Confirmation Letter regarding the Use of Personal Protective Equipment (PPE) from the Senior Manager dated July 26, 2021. The letter explains that the assistant and foreman are responsible for worker safety, socialization of OHS to workers, and ensuring that all workers always use the specified PPE by the company. In addition, the certification unit will also provide disciplinary sanctions for employees who do not comply with the established OHS norms.</li> <li>2. Minutes of Socialization of SOP 019 regarding PPE Management which was held on 2, 3, 4, 8, 9, 14, 15, 17 and 21 June 2021 in each afdeling. The socialization material includes the need for PPE based on the type of work and compliance in the use of PPE. The certification unit also shows documentation and attendance lists for the socialization in each unit.</li> </ol> <p>Based on the foregoing, the Non-conformity is closed and will be observe in the next assessment.</p>	
<p><b>Verified by</b></p>	<p><b>: Yudhi Yuniarto</b></p>

<b>NCR No.</b>	<b>: 2021.9</b>	<b>Issued by</b>	<b>: Rahmat Abdiansyah</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: ASA-3</b>
<b>NC Grade</b>	<b>: Non-Critical</b>	<b>Date of Closing</b>	<b>: 08 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.3.1</b> <b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"><li>• Hazardous and Toxic Waste Management Procedure with Document Number 012-SOP-ISP dated October 1, 2018 where at point 6.3.7 it is explained that at each hazardous and toxic waste storage place in the Temporary Storage of Hazardous and Toxic Materials Waste must be given an identity in the form of symbols , label and name of waste Hazardous and toxic materials according to the characteristics and types of waste Hazardous and toxic materials that exist. Then at point 6.3.15 it is explained that any waste of hazardous and toxic materials produced and stored in the Temporary Storage of Hazardous and Toxic Materials must be recorded/administered neatly using a Hazardous and Toxic Waste Balance.</li><li>• Based on the results of field observations at the Temporary Storage of Hazardous and Toxic Waste in Inecda POM, it is known that the name of the hazardous and toxic waste is not yet available for the types of used cartridges, medical waste, and used paint packaging. In addition, there is no record of waste Hazardous and toxic materials stored in Temporary Storage for Hazardous and Toxic Materials for used cartridge types.</li></ul>			
<b>Non-Conformance Description (filled by auditor):</b> <p>The Company has not been able to show evidence that the management of hazardous and toxic waste in the temporary storage of hazardous and toxic waste is in accordance with the procedures it has.</p>			
<b>Root Cause Analysis (filled by organization audited):</b> <p>Officers in the hazardous waste management section do not fully understand the contents of SOP No.012 – SOP – ISP regarding the management of hazardous waste. This is because the current officers are new workers who have been transferred from other divisions, and have not received socialization or understanding regarding the SOP for the Management of Hazardous Waste.</p>			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"><li>1. Giving identity for all types of hazardous waste stored at the Hazardous Waste Warehouse.</li><li>2. Record in the hazardous waste Logbook for all types of hazardous waste entering or stored at the Hazardous Waste Warehouse and hazardous waste leaving the warehouse.</li><li>3. Provide training/socialization of the understanding of hazardous Waste Management SOPs to PICs/New Officers managing Hazardous Waste Warehouse.</li></ol>			
<b>Corrective Action (filled by organization audited):</b> <p>The company will provide training, socialization or debriefing beforehand to all new workers related to new jobs that are their duties and responsibilities.</p>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <p><b>Verification 28 July 2021</b> The company has conducted root cause analysis, corrections, and corrective actions. The root cause analysis has been accepted, but for corrective and corrective actions it has not been accepted because the company has not shown evidence of documentation of implementation of the corrections and corrective actions taken. Thus the non-conformity in this indicator is open.</p> <p><b>Verification 08 August 2021</b> The company shows evidence of improvements in the form of:</p>			



- Minutes and documentation of identification of all types of hazardous waste in the Hazardous Waste Warehouse at mill on June 16, 2021.
- Proof of recording of hazardous waste in the hazardous waste logbook that enters the Hazardous Waste Warehouse Mill on June 16, 2021.
- Minutes of socialization of the SOP for Hazardous Waste Management which was held on August 5, 2021, which was attended by 14 Inecda Mill Employees including the PIC of the Officer for the Hazardous Waste Warehouse.
- Analysis of root causes, corrections, and corrective actions that have been corrected and responded to by the company.

Based on the evidence of improvement that has been shown by the company, the non-conformity in this indicator is closed and will be observe at the time of the next assessment.

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

<b>NCR No.</b>	<b>: 2021.10</b>	<b>Issued by</b>	<b>: Rahmat Abdiansyah</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: ASA-3</b>
<b>NC Grade</b>	<b>: Non-Critical</b>	<b>Date of Closing</b>	<b>: 30 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated</b>		
<b>Evidence observed (filled by auditor):</b>			
<ul style="list-style-type: none"><li>• Domestic Waste Management Procedure with Document Number 015 – SOP – ISP dated January 02, 2014 where in point 6.3.4b it is explained that periodically 2 (two) times in 1 (one) week, the appointed officer will take and transport the waste to the landfill final waste (landfill) with a system of separating waste based on the type between organic and inorganic waste.</li><li>• Based on the results of field observations to landfills in the Mill area, Block C4 Afdeling 1 Estate 1, and Block N34 Afdeling 11 Estate 2, it is known that domestic waste is not separated according to its type, namely organic and inorganic.</li><li>• Hazardous and Toxic Waste Management Procedure with Document Number 012-SOP-ISP dated October 1, 2018 where in point 6.3.1 it is explained that all hazardous and toxic wastes generated from the company's operational activities must be collected and stored in the Temporary Storage of Hazardous Materials. and poisonous. Then in point 6.3.4 it is explained that the waste of hazardous and toxic materials produced and stored in the garden work unit must be immediately sent to the Temporary Storage of Hazardous and Toxic Waste in the Mill at least once a month or before the volume reaches more than 200 liters for this type. waste Hazardous and toxic liquid liquid and for the type of waste Hazardous and toxic solid material in whatever amount is sent along with the shipment of the liquid hazardous and toxic waste.</li><li>• Based on field observations in the generator room Afdeling 3 Kebun 1 there are 6 Pcs Filters used for a long time have not been sent to the Temporary Storage of Hazardous and Toxic Waste at the Mill. Based on the verification of the document for recording the entry and exit of hazardous and toxic waste, it is known that there is a used filter that entered on April 16, 2021, weighing 0.004 tons, but the origin of the producer of hazardous and toxic waste is not stated.</li><li>• Based on field observations to the Estate 1 Oil Warehouse, there are drums of used oil that have not been sent to the Temporary Storage of Hazardous and Toxic Waste at the Mill. Result of document verification Recording in and out of waste Hazardous and toxic materials since the period March 2021 there are no types of used oil drums entering from unit estate 1.</li><li>• Based on field observations of water level Block I21 Afdeling 5 Estate 1, it was found that the pesticide packaging was not in the right place.</li><li>• Based on field observations to the Afdeling 10 Estate 2 Housing, there were traces of chemical packaging that were reused as a trash can / dustpan.</li></ul>			

- Based on the interview with the Insial SK worker, it was found that the employee did not understand where the hazardous and toxic waste was stored.

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

Based on this explanation, the Company has not been able to show evidence that waste disposal is in accordance with procedures that are fully understood by workers.

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

- The understanding of housing residents or workers regarding Domestic Waste Segregation (organic & inorganic) is still very low, due to lack of socialization or uneven socialization related to domestic waste management to them.
- The understanding of housing residents or workers regarding Hazardous Waste Management is also still very low, this is also due to the lack of socialization or the unequal distribution of socialization related to hazardous waste management to them.
- Supervision or monitoring of conformity of procedures has not gone well, due to the absence of a person or officer who is responsible for conducting supervision.

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

- Disseminating SOP No. 015 – SOP – ISP regarding Domestic Waste Management to housing residents and employees in all housing/stations in factories and gardens.
- Socializing SOP No. 012 – SOP – ISP regarding Hazardous Waste Management to housing residents and employees in all housing/stations in mill and estates.
- Sorting waste starting from the trash cans in employee housing/work stations to sorting it to the landfill (Final Waste Disposal Site).
- Carry out sweeping or collection of hazardous waste in employees' homes and in all work areas, especially at stations that are sources of hazardous waste (such as Genset Rooms, Workshops or Chemical Warehouses) and store hazardous waste in a licensed hazardous waste warehouse.
- GM/SM/MC/Manager assigns PIC for Domestic Waste Management in each Section/Station, where the responsibilities of the PIC start from providing trash bins, outreach, setting the schedule for transporting waste to landfill (Final Waste Disposal Sites) until waste management supervision.
- The GM/SM/MC/Manager assigns a PIC for Hazardous Waste Management in each Section/Station, in which the responsibility of the PIC starts from identifying the hazardous waste generated in the workplace to storing it at the Hazardous Waste Warehouse.

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

- The HSE Officer/Environmental Staff together with the PIC for Domestic Waste Management or the appointed PIC for Hazardous Waste Management, conduct monitoring and inspection of domestic waste management and hazardous waste management in each Section/Station with a predetermined time period and report the results of the inspection to the GM/ SM/ MC/ Manager.
- Improving the effectiveness of the implementation of the SMK3 Assessment Competition which has been held every month (where one of the assessment items is about the management of domestic waste and hazardous waste), as a means or tool to increase the awareness of employees or residents of housing related to OHS and environmental management.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 28 July 2021**

The company has conducted root cause analysis, corrections, and corrective actions. The root cause analysis has been accepted, but for corrective and corrective actions it has not been accepted because the Company has not shown evidence of documentation of implementation of the corrections and corrective actions taken. Thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 08 August 2021**

The Company has corrected the corrective and corrective actions in accordance with the responses/questions of the Auditor, but the Company has not shown evidence of the implementation of the corrections and corrective actions taken. thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 30 August 2021**

The company has sent proofs of repairs in the form of:

- Minutes of Socialization of SOP for Domestic Waste Management conducted on June 9, 2021 to 35 mill workers.
- Minutes of Socialization of SOP for Hazardous Waste Management conducted on June 16, 2021 to 35 mill workers.
- Minutes of Socialization of SOP for Domestic Waste Management conducted on June 22, 2021 to 68 estate workers.
- Minutes of Socialization of SOP for Domestic Waste Management conducted on June 24, 2021 to 64 estate workers.
- Minutes of Socialization of SOP for Domestic Waste Management conducted on July 14, 2021 to 13 Nursery workers.
- Minutes and documentation of waste sorting at domestic waste bins, mill stations and landfill conducted on 16 June 2021.
- Minutes and documentation of Sweeping hazardous waste collection at Housing and mill stations on June 8, 2021.
- Letter from Mill Manager Number 079/IC-POM/VI/2021 dated June 10, 2021 regarding the appointment of the person in charge of domestic waste management.
- Letter from Mill Manager Number 078/IC-POM/VI/2021 dated June 10, 2021 regarding the appointment of the officer in charge of hazardous waste management at the station unit.
- Letter of Assignment from the Senior Manager dated August 18, 2021 regarding the appointment of an officer in charge of hazardous and domestic waste management for each estate unit division.
- Schedule for monitoring and inspection of domestic waste and hazardous waste management for the 2021 period.
- The results of monitoring and inspection of hazardous waste management for the period of July and August 2021 with the results in accordance with the SOP for hazardous waste management.
- Results of monitoring and inspection of domestic waste management for the period of July and August 2021 with the results in accordance with the SOP for domestic waste management.
- The results of monitoring and inspection of hazardous waste management for the period August 2021 for estate units with results in accordance with hazardous waste management SOPs.
- Responses from the Company to the Auditor's questions on the previous verification.

Based on the evidence of improvement submitted, it can be concluded that the non-conformance in this indicator is closed.

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

NCR No.	: 2021.11	Issued by	: Rahmat Abdiansyah
Date Issued	: 28 May 2021	Time Limit	: ASA-3
NC Grade	: Non-Critical	Date of Closing	: 30 August 2021
Standard Ref. & Requirement	7.3.3 The unit certification does not use open fire for waste disposal.		
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>Based on the results of field observations in the residential area of Afdeling 3 Estate 1 PT Inecda there are traces of domestic waste burning.</li><li>Based on the results of field observations to the residential area of Afdeling 10 Estate 2 PT Inecda, there are 2 points of burning domestic waste.</li><li>Based on the results of interviews with several employees of Kebun Estate 1 and 2, it is known that there is still burning of domestic waste carried out by residents of employee housing.</li></ul>			
Non-Conformance Description (filled by auditor): <p>Based on this evidence, it is known that in the company's operational area there are still open burning activities for the destruction of domestic waste.</p>			

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

The HSE Plantation Team and the Afdeling Assistant/Housing Assistant have not been maximal in conveying or providing socialization regarding the Prohibition of Burning Policy to employees and residents of employee housing, so there are still many employees or residents of employee housing who do not know about the Prohibition of Burning Activities.

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

1. Carry out sweeping/ cleaning of domestic waste or traces of burning domestic waste throughout the mill and estate areas (either in the work area or in employee housing).
2. Conduct socialization/training on understanding related to Domestic Waste Management, Prohibition of Burning/ Zero Burning to all levels of workers and to residents of employee housing.
3. Adding warning boards/ signboards for the Prohibition of Burning Garbage.
4. GM/SM/MC/Manager assigns PIC for Domestic Waste Management in each Section/Station, where the responsibility of the PIC starts from providing trash bins, outreach, to transporting waste to landfill (Final Waste Disposal Site).

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

1. The HSE/ Afdeling Assistant/Housing Assistant Team makes a monthly schedule for the socialization of the Prohibition of Burning Policy for employees and residents or residents of housing.
2. The HSE Team/ Afdeling Assistant/ Housing Assistant submits evidence of the implementation of the Prohibition of Burning Policy socialization that has been carried out to the Manager/ SM every month.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 28 July 2021**

The company has conducted root cause analysis, corrections, and corrective actions. However, there are still auditor notes that need to be corrected at the root cause analysis, corrective actions and need to be sent proof of the corrections that have been made. Thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 8 August 2021**

The Company has corrected the root cause analysis and corrected actions in accordance with the responses/questions of the Auditor, but the Company has not shown evidence of the implementation of the corrections and corrective actions taken. Thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 30 August 2021**

The company shows evidence of improvements in the form of:

- Minutes and documentation of the closure of former waste burning in the PT Inceda housing complex on August 12, 2021.
- Minutes and documentation of the socialization of SOPs on domestic waste management and the no-burn policy to employees of each estate on August 14, 2021.
- Minutes and documentation of the installation of a sign board for sorting domestic waste between organic and inorganic on August 16, 2021.
- Minutes and documentation of the installation of a sign board prohibiting burning of waste in the PT Inceda housing complex on August 16, 2021.
- The schedule for the planned socialization activities includes the socialization of the ban on burning for the 2021 period.
- Letter of Assignment from the Senior Manager dated August 18, 2021 regarding the appointment of an officer in charge of hazardous and domestic waste management for each estate.
- Responses from the Company to the Auditor's questions on the previous verification.

Based on the evidence of improvement submitted, it can be concluded that the non-conformance in this indicator is declared Fulfilled.

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

<b>NCR No.</b>	<b>: 2021.12</b>	<b>Issued by</b>	<b>: Yudhi Yuniarto</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: 26 August 2021</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: 09 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.7.4</b> <b>Availability of implementation evidence of the water and land cover management program.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The certification unit has a water management procedure with document number 019-SOP-AGR dated 5 May 2014 where in point 6.4 part 1a it is explained that the water level sign in water level monitoring is equipped with a water depth measurement.</li> <li>Based on field observations for water level observations in Block I21 Afdeling 5 Estate 1 it is known that the water level does not have a water depth measurement unit and the results of observations in Block J16 Afdeling 4 Estate 1 it is known that the 0 (zero) point on the water level is below the surface. ground (not parallel to the ground).</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> Based on this evidence, it is known that the monitoring of surface water levels is not in accordance with existing procedures			
<b>Root Cause Analysis (filled by organization audited):</b> Estate has never carried out inspections or monitoring the feasibility of the tools or facilities used for water management & monitoring, including water depth measurement tools. This is because the jobdesk/duties and responsibilities of the PIC have not been clearly regulated regarding monitoring ground water levels.			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Conduct an inventory of the number, location, and feasibility conditions of all tools or facilities used for water management and monitoring.</li> <li>Repair/replace tools or infrastructure for managing and monitoring water levels that are damaged or that do not meet standards.</li> <li>Revise the job description of the water level monitoring officer, by adding the duties and responsibilities to monitor the condition of the feasibility of the infrastructure used in accordance with the SOP or applicable rules.</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> Each Estate Assistant is responsible for ensuring all water management and monitoring facilities are in good condition, appropriate and meet the requirements.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 8 August 2021</b> The certification unit shows evidence of improvement as follows: <ol style="list-style-type: none"> <li>Minutes of inventory and installation of PT Inecda's Plantation I water level monitoring facilities which will take place from 22 July 2021 – 27 July 2021. The company also shows documentation of these activities.</li> <li>Inventory of water level monitoring facilities in each plantation and division, for example: in Estate I, Division III there are 15 water level monitoring points.</li> <li>Revision of jobdesk by HRD for foremen and water management monitoring officers, for example as follows: <ol style="list-style-type: none"> <li>Foreman: ensure the water level peg is installed properly and the water level scale is clearly visible. If there is an improvement, it is reported to the concerned agency.</li> <li>Officers: measure, record, and report the results of water level and piezometer measurements to the water level foreman and afdeling assistants.</li> </ol> </li> </ol> <p>Based on the foregoing, the discrepancy is declared to be fulfilled with the observation notes in the next assessment.</p>			
<b>Verified by</b>	<b>:</b>	<b>Yudhi Yuniarto</b>	

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	3.4.3	The company has also evaluated the implementation of the SIA plan and management for the 2020 period on January 17, 2021. The auditor verified the social issues that developed through the Internet and it was found that there were issues related to drugs within the company and FFB theft issues. The company has responded related to this issue by conducting socialization related to the dangers of drugs to employees, for example on March 20, 2021. Regarding the FFB theft issue, based on an interview with PIC SIA, the company has responded by training security officers and monitoring theft through drones. Regarding the issue of Drugs and FFB theft, it is not included in the 2021 SIA management plan. The company has the opportunity to ensure that social issues, but not limited to the issue of drugs and palm theft, are included in the SIA management plan for the following year.
2	4.2.3	The company has documented every request for information and complaints that come in through the Log Book. However, there are several responses to information that have not been recorded in an updated manner for the status of the settlement. The company has the opportunity to re-assure the update of the response information that has been provided in the Response Log Book.
3	4.2.4	Regarding the process of settling the claim for rice allowances that have been mediated by the Manpower Office of Indragiri Hulu Regency, the company has the opportunity to ensure and follow the conflict resolution process in accordance with applicable regulations.

**3.4.4. Noteworthy Positive Components**

No	Description
1	The company's commitment to implementing sustainable standards for oil palm plantations
2	Has obtained ISPO
3	Has obtained ISO 14001:2015
4	Has obtained PROPER BIRU period 2019-2020
5	The company no longer uses herbicides with the active ingredient paraquat



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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Pematang Jaya Village</b> <b>(Interviewee: Head of Village)</b> <ul style="list-style-type: none"> <li>• Communication between the village and the company is going well.</li> <li>• Information is provided and requested through a letter sent to the company's PIC and responses will be submitted within 3 days.</li> <li>• Village Deliberations held by the Village are always attended by the Company.</li> <li>• There is community land adjacent to the plantation area.</li> <li>• The livelihoods of the villagers as rubber farmers.</li> <li>• Many villagers from Pematang Jaya work for the Company.</li> <li>• The company has disseminated information related to areas protected by the company such as river borders and the prohibition of hunting for animals in the company's area. In addition, there are appeals posted at the village office.</li> <li>• So far there has never been a land fire carried out by the company.</li> </ul>	<p>There are no negative issues from the cooperative as a supplier of FFB. The explanation regarding the interview results has been explained in the report</p>
<b>Sibabat Village</b> <b>(Interviewee: Village Secretary)</b> <ul style="list-style-type: none"> <li>- The company absorbs workers from the village.</li> <li>- There are no problems and land conflicts between the company and the surrounding community.</li> <li>- Socialization of the prohibition on burning for land clearing has been conducted.</li> <li>- The company provides CSR to the village.</li> <li>- There is no problem with the communication between the village and the company</li> <li>- No land fire issues in the last 1 year.</li> </ul>	<p>There are no issues that need further clarification. The information conveyed by stakeholders is in accordance with the data shown by management</p>
<b>Petalongan Village</b> <b>(Interviewee: Village Head)</b> <ul style="list-style-type: none"> <li>- The company absorbs workers from the village.</li> <li>- There are no problems and land conflicts between the company and the surrounding community.</li> <li>- Socialization of the prohibition on burning for land clearing has been conducted.</li> <li>- The company provides CSR to villages</li> <li>- There is no problem with the communication between the village and the company and the company always responds to requests from the village.</li> <li>- No land fire issues in the last 1 year.</li> </ul>	<p>There are no issues that need further clarification. The information conveyed by stakeholders is in accordance with the data shown by management</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Petalongan Makmur Sejahtera Cooperative</b> <b>(Interviewee: Cooperative Head /Tani Makmur Villager)</b> <ul style="list-style-type: none"> <li>- The company absorbs workers from the village.</li> <li>- There are no problems and land conflicts between the company and the surrounding community especially from the village of Tani Makmur.</li> <li>- The company already has plans to build a partnership plasma with the village of Tani Makmur. Currently in the process of area data collection.</li> <li>- Communication with the company is quite good.</li> </ul>	<p>There are no issues that need further clarification. The information conveyed by stakeholders is in accordance with the data shown by management</p>
<b>Perkebunan Sei Parit Village</b> <b>(Interviewee: Villager / Occupation Land Owner )</b> <ul style="list-style-type: none"> <li>- The occupied land was originally included in the HGU of PT Inecda, but so far the company has not disturbed the land and currently the land has been removed from the company's HGU area</li> <li>- No more problems for now</li> <li>- Communication with the company is quite good.</li> </ul>	<p>There are no issues that need further clarification. The information conveyed by stakeholders is in accordance with the data shown by management</p>
<b>CPO Transporter - CV Liliana Jaya Sejati</b> <b>(Interviewee: Director)</b> <ul style="list-style-type: none"> <li>- Have cooperated with the company for 7 years</li> <li>- Payment has not been a problem so far</li> <li>- PPE and employee insurance provided by the contractor</li> <li>- Willing to be audited by other parties and this has also been stated in the work agreement.</li> <li>- The work agreement is still valid currently and has been signed by both parties.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>PK Transporter – PT Cahaya Timur Sarana Mandiri</b> <b>(Interviewee: Administrator)</b> <ul style="list-style-type: none"> <li>- Payment has not been a problem so far, usually within 2 weeks already paid</li> <li>- PPE and employee insurance provided by the contractor</li> <li>- Willing to be audited by other parties and this has also been stated in the work agreement.</li> <li>- The work agreement is still valid currently and has been signed by both parties.</li> <li>- No complaints so far.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>FFB Suppliers Bukit Karang Sawitri</b> <b>Interviewee: Owner</b> <ul style="list-style-type: none"> <li>• The source of FFB sent to the Company comes from community plantations.</li> </ul>	<p>There are no negative issues from the cooperative as a supplier of FFB. The explanation regarding the interview results has been explained in the report</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• The legality of community plantations is varied, such as a certificate of compensation, a certificate of land ownership, and a certificate of ownership.</li> <li>• The company has determined the coordinates of the location of the community gardens sent by the supplier.</li> <li>• The price of FFB given is the price set by the company. The price is determined by taking into account the weight of the average length and prices from surrounding companies.</li> <li>• FFB price information will be informed by the company via SMS or WhatsApp.</li> <li>• There is an agreement between the company and the supplier. The agreement has been mutually agreed.</li> <li>• The FFB payment mechanism is carried out on Mondays and Thursdays by transfer.</li> <li>• The payment invoice has explained the amount of FFB sent, the price of FFB, and other tax deductions.</li> <li>• There were no complaints related to the FFB payments made.</li> </ul>	
<p><b>Environmental Service of Indragiri Hulu Regency</b>  <b>Interviewee: Head of Compliance, Arrangement, Environmental Management</b></p> <ul style="list-style-type: none"> <li>• Compulsory reports by companies such as RKL/RPL reporting every 6 months, Hazardous Waste Management Reports and POME management every 3 months.</li> <li>• The company has a valid hazardous waste warehouse permit for hazardous waste.</li> <li>• The company already has a valid permit for the utilization of POME for land application.</li> <li>• Environmental documents owned by the company are in accordance with the provisions.</li> <li>• During 2020 there were no environmental pollution issues by the company.</li> <li>• For the mandatory report of the Indragiri Hulu district government, it is still done manually and has not been done online. This is due to network constraints. In the future, the Department of Environment will carry out socialization in advance to companies located in Indragiri Hulu Regency.</li> <li>• So far, there is no issue of land fires by the company.</li> </ul>	<p>There are no negative issues from the Environmental Service. The explanation regarding the interview results has been explained in the report</p>
<p><b>Inecda Employee Cooperative</b>  <b>Interviewee: Head of Cooperative</b></p> <ul style="list-style-type: none"> <li>• The legal entity of the employee cooperative is a Notary Deed and has been approved by the Ministry of Law and Human Rights.</li> <li>• The type of cooperative business is the sale of basic food ingredients, procurement of household goods.</li> <li>• Currently the number of members of the employee</li> </ul>	<p>There are no negative issues from the Inecda Employee Cooperative. The explanation regarding the interview results has been explained in the report</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>cooperative is around 330 members.</p> <ul style="list-style-type: none"> <li>• The current management period of the cooperative is the 2020-2025 period.</li> <li>• The cost of basic savings is IDR 100,000 and mandatory savings is IDR 50,000</li> <li>• The support provided by the company is by providing buildings for cooperatives and providing computer units.</li> <li>• Every week there is a weekly market which is 4 KM from the estate which provides basic ingredients.</li> <li>• The annual meeting has been held, the last annual meeting was held on March 21, 2021.</li> </ul>	
<p><b>National Land Agency of Indragiri Hulu District.</b></p> <ul style="list-style-type: none"> <li>• Mandatory reports to agencies have been routinely reported by companies including the Plantation Business Development Report and Firefighting Management Report.</li> <li>• In the last one period there were no reports related to disputes and land claims received by the agency.</li> <li>• All operational areas of the company already have Land Permit (HGU) and there are no operational areas within the forest area.</li> <li>• Communication relations between agencies and companies are fairly well established.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<p><b>Plantation Agency of Indragiri Hulu District.</b></p> <ul style="list-style-type: none"> <li>• Mandatory reports to agencies have been routinely reported by companies including the Plantation Business Development Report, CSR Realization Report, and Firefighting Management Report.</li> <li>• In the last one period there were no reports related to disputes and land claims received by the agency.</li> <li>• The certification unit already has facility and infrastructure for firefighting.</li> <li>• In the past year, there has never been any information or fire incidents in the company's operational areas.</li> <li>• Communication relations between agencies and companies are fairly well established.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>• Gender committee formed in 2018</li> <li>• The gender committee consists of male and female representatives</li> <li>• Due to the Covid-19 pandemic, many of the 2020-2021 Gender Committee Programs were not realized because they were not allowed to gather. There were socialization activities carried out before the pandemic, namely January - March 2021, such as socialization related to pregnant and</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>lactating mothers who were not allowed to work related to chemicals.</p> <ul style="list-style-type: none"> <li>• There was 1 report of sexual harassment case during the period 2020 – April 2021. The case has been resolved amicably and has been resigned.</li> <li>• If there is a mother who is breastfeeding, then report to the foreman if it takes time to leave work</li> <li>• Child care is available.</li> <li>• Posyandu in cooperation with the village.</li> <li>• Menstrual leave is available with a mechanism to report to the foreman and will be examined at the clinic.</li> <li>• Maternity leave is given 1.5 months before and 1.5 months after giving birth by showing the results of a doctor's examination.</li> <li>• There is no difference between male workers and female workers. Every worker has equal rights in terms of employment opportunities and also anonymity protection.</li> </ul>	
<p><b>Worker Union</b></p> <ul style="list-style-type: none"> <li>• Independent workers' unions have been registered at the Manpower Office</li> <li>• Meetings between the Independent Workers Union and Management and Bipartite can be held at any time if the situation requires</li> <li>• PPE can be replaced if damaged by showing evidence of the damage</li> <li>• There are no problems regarding overtime payments</li> <li>• Wages are in accordance with the 2021 regency minimum wage</li> <li>• Employees who retire have received their rights in accordance with the regulations</li> <li>• If there is a mother who is breastfeeding, then report to the foreman if it takes time to leave work</li> <li>• The infrastructure officer immediately responded to the housing complaint</li> <li>• Collective Labor Agreement is still valid</li> <li>• Payment of harvest wages based on attendance and work performance (tonnage system)</li> <li>• The company provides an ambulance if an employee is referred to a referral hospital.</li> <li>• The management unit does not interfere with the formation or activities of registered organizations / labor unions.</li> <li>• The recruitment process for employees begins with a check on administrative completeness, an initial medical check-up before working and a job appraisal process by superiors.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>CV Murah Rizki (contractor)</b> <ul style="list-style-type: none"> <li>• No complaints regarding payments</li> <li>• Price according to the agreement</li> <li>• Must comply with regulations such as minimum wages, BPJS and others.</li> <li>• There are no workers who are less than 18 years old</li> <li>• Requirements to become a worker must show ID and Family Card</li> <li>• Company assistance to villages such as sewing training and catfish farming</li> <li>• Supervision is also carried out by the company</li> <li>• PPE obligations from contractors</li> <li>• Provided socialization and training by the company</li> <li>• Complaints can be submitted to the assistant.</li> <li>• There is a circular letter from the COO to all contractors regarding the prohibition of gratuities, bribes and others.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>Delta Guard (contractor)</b> <ul style="list-style-type: none"> <li>• The cooperation has been going on for 5 years</li> <li>• Contracts are made annually</li> <li>• There are no problems with payment and it is in accordance with the agreement</li> <li>• BPJS has been included</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<b>Manpower Agency of Indragiri Hulu District.</b> <ul style="list-style-type: none"> <li>• Regarding administration, it is good</li> <li>• There are no negative issues related to wages and wages are in accordance with the district minimum wages that have been set.</li> <li>• Regarding the Social Insurance (<i>BPJS</i>) program, there are no issues. All employees are registered in the <i>BPJS</i> program.</li> <li>• Workers come from surrounding villages (local residents) and workers who come from outside areas</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>



4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p><b>PT Inecda</b> Management Representative</p>  <p><b>Didik S Hariyanto</b> Monday, 20 September 2021</p> </div> <div style="text-align: center;"> <p><b>MUTU International</b> Lead Auditor</p>  <p><b>Hasiholan Sihombing</b> Monday, 20 September 2021</p> </div> </div>

**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	Pematang Jaya Village	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
2	FFB Suppliers Bukit Karang Sawitra	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
3	Environmental Service of Indragiri Hulu Regency	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
4	Inecda Employee Cooperative	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
5	Sibat Village	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
6	Petalongan Village	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
7	Petalongan Makmur Sejahtera Cooperative	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
8	Perkebunan Sei Parit Village - Occupation Land Owner	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
9	CPO Transporter - CV Liliana Jaya Sejati	Pekanbaru	-	Interview by phone	25 May 2021	✓	
10	PK Transporter - PT Cahaya Timur Sarana Mandiri	Pekanbaru	-	Interview by phone	25 May 2021	✓	
11	Gender Committee	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
12	Worker Union	Indragiri Hulu District	-	Interview by phone	24 May 2021	✓	
13	CV Murah Rizki (contractor)	Indragiri Hulu District	-	Interview by phone	25 May 2021	✓	
14	Delta Guard (contractor)	Pekanbaru	-	Interview by phone	25 May 2021	✓	
15	Manpower Agency of Indragiri Hulu District.	Indragiri Hulu District	-	Interview by phone	27 May 2021	✓	
16	<b>Inecda POM</b> - 1 weighbridge operator - 1 sterilizer operator - 1 outsource security - 1 grading officer (contractor)	Indragiri Hulu District	-	Visit and Interview	24-25 May 2021	✓	
17	<b>Inecda Estate 1</b> - 5 herbicide applicator - 6 harvest worker	Indragiri Hulu District	-	Visit and Interview	25-27 May 2021	✓	
18	<b>Inecda Estate 2</b> - 3 herbicide applicator - 7 harvest worker	Indragiri Hulu District	-	Visit and Interview	25-27 May 2021	✓	
19	Sawit Watch	Bogor, Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Email	17 May 2021		✓
20	WWF	Jakarta, Indonesia	<a href="mailto:wwf-indonesia@wwf.org">wwf-indonesia@wwf.org</a>	Email	17 May 2021		✓

			<a href="#">or.id</a>				
21	WALHI	Jakarta, Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Email	17 May 2021		✓
22	AMAN	Jakarta, Indonesia	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Email	17 May 2021		✓
23	National Land Agency	Indragiri Hulu Regency	-	Interview by phone	24 May 2021	✓	
24	Plantation Agency	Indragiri Hulu Regency	-	Interview by phone	24 May 2021	✓	

**Appendix 2. Assessment Program**

Date	29 <sup>th</sup> – 30 <sup>th</sup> June 2020 (Remote Audit)	
Audit Program	Clauses To Be Audited	Auditor
<b>Monday, 29<sup>th</sup> June 2020</b>		
07.30 – 08.00	<b>Remote Opening Meeting of ASI Auditor with Mutuagung Auditor</b>	<b>ASI Auditor &amp; Mutuagung Auditor</b>
08.00 – 09.00	<b>Remote Audit Opening Meeting of Inecda POM and the supply bases. (recorded video conference)</b> <ul style="list-style-type: none"> <li>Opening speech and discussion of remote audit mechanism</li> <li>Presentation of audit objective, audit scope, audit plan discussion, audit sample, transparency and confidentiality clarification)</li> </ul>	<b>All Auditor</b>
09.00 – 12.00	<b>Document verification</b>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.30 16.30 – 17.00	<b>Document verification</b> <b>Daily audit progress meeting</b>	<b>All Auditor</b>
<b>Tuesday, 30<sup>th</sup> June 2020</b>		
08.00 – 12.00	<b>Document verification</b>	<b>All Auditor</b>
12.00 – 16.00	<b>Break &amp; auditor internal discussion for closing meeting preparation</b>	<b>All Auditor</b>
16.00 – 17.00	<b>Remote Audit Closing Meeting of Inecda POM and the supply bases (recorded Video Conference)</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (noteworthy positive component, non conformities, OFI, timeline of CAR's, conclusion)</li> <li>Comments, responses and questions</li> </ul>	<b>All Auditor</b>
17.00 – 18.30	<b>Remote Closing Meeting of ASI Auditor with Mutuagung Auditor</b>	<b>ASI Auditor &amp; Mutuagung Auditor</b>

DATE	23 - 29 May 2021 (Onsite Audit)	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Sunday, 23 May 2021</b>		
07.45 – 09.40	<b>JAKARTA → PEKANBARU</b>	<b>All Auditor</b>
10.00 – 18.00	<b>Travel from Pekanbaru to the PT Inecda</b>	<b>All Auditor</b>
<b>Monday, 24 May 2021</b>		
08.00 – 09.00	<b>OPENING MEETING</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	<b>All Auditor and Management of PT Inecda</b>
09.00 – 12.00	<b>Stakeholder consultation by phone</b> <ul style="list-style-type: none"> <li>Stakeholders consultation to related agencies</li> <li>Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners</li> <li>Interview with Gender Committee, Worker's Union, , Worker's Cooperative, Local Contractor (for Mill and Estate), Smallholder Cooperative, Third Party Supplier, local NGO</li> </ul>	<b>AFF/RAB</b>  <b>HHS</b>  <b>YYT/RAB</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<b>Field observation to Inecda POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge),</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; land application</li> </ul>	<b>HHS</b>  <b>AFF/YYT</b>  <b>RAB</b>
<b>Tuesday, 25 May 2021</b>		
08.00 – 12.00	<b>Field Observation to Estate 1</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect,</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>HHS</b>  <b>YYT/AFF</b>  <b>RAB</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	Verification of documents and completing checklist	<b>All Auditor</b>
<b>Wednesday, 26 May 2021</b>		
08.00 – 12.00	<b>Day Off</b> Continue Document Verification	<b>All Auditor</b>

DATE	23 - 29 May 2021 (Onsite Audit)	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	Verification of documents and completing checklist	
<b>Thursday, 27 May 2021</b>		
08.00 – 12.00	<b>Field Observation to Estate 2</b> Aspect to be verified : <ul style="list-style-type: none"><li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li><li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li><li>- Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</li></ul>	<b>HHS</b>  <b>YYT/AFF</b>  <b>RAB</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	Verification of documents and completing checklist	
<b>Friday, 28 May 2021</b>		
08.00 – 12.00	<ul style="list-style-type: none"><li>• Verification of documents and completing checklist</li><li>• Auditor Interim Meeting (closing meeting preparation)</li></ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor and Management of PT Inecda</b>
14.00 – 15.30	<b>CLOSING MEETING</b> <ul style="list-style-type: none"><li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)</li><li>• Comments, Responses and Questions</li></ul>	
15.30 – 22.00	<b>Travel from PT Inecda to Pekanbaru</b>	<b>All Auditor</b>
<b>Saturday, 29 May 2021</b>		
10.25 – 12.20	<b>PEKANBARU → JAKARTA</b>	<b>All Auditor</b>