

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

[✓] Surveillance

Name of Management : Andalas Agro Industri Palm Oil Mill – PT Andalas Agro Industri Subsidiary of
Organisation : TSH Resources Berhad

Plantation Name : PT Laras Internusa – Laras Estate

Location : Village of Air Rau, Kinali Sub District, Pasaman Barat District, Sumatera Barat
Province, Indonesia

Certificate Code : MUTU-RSPO/139

Date of Certificate Issue : 06 December 2019 Date of License Issue : 06 March 2022

Date of Certificate Expiry : 05 December 2024 Date of License Expiry : 05 December 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	05 to 07 October 2021	Rizliani Aprianita Hasibuan (Lead Auditor), Briyogi Shadiwa, Septian Maulana, Erika Lucitawati	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	05 November 2021

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Figure 1. Location Map of PT Laras Internusa and PT Andalas Agro Industri

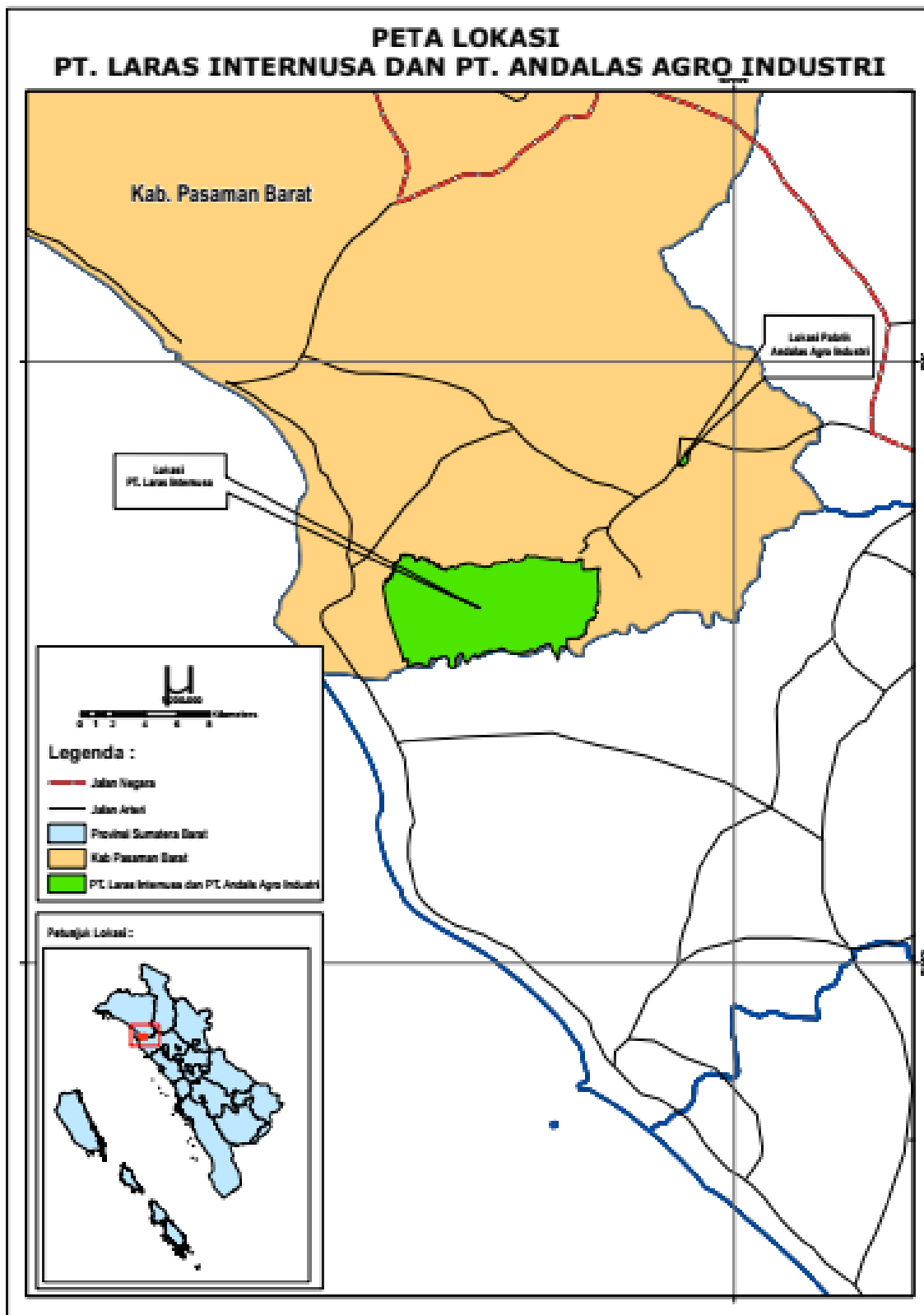


Figure 2. Operational Map of Laras Internusa Estate

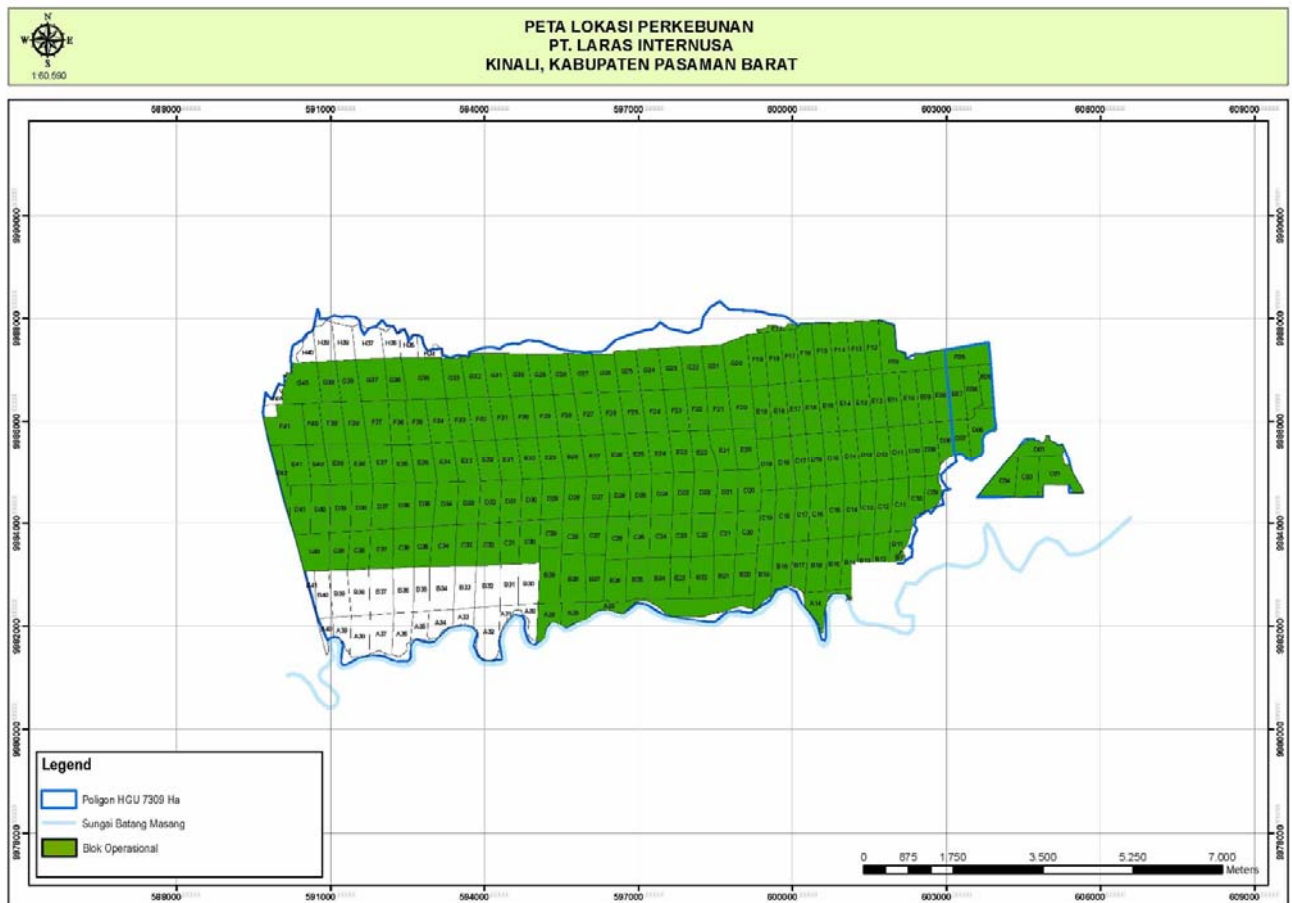
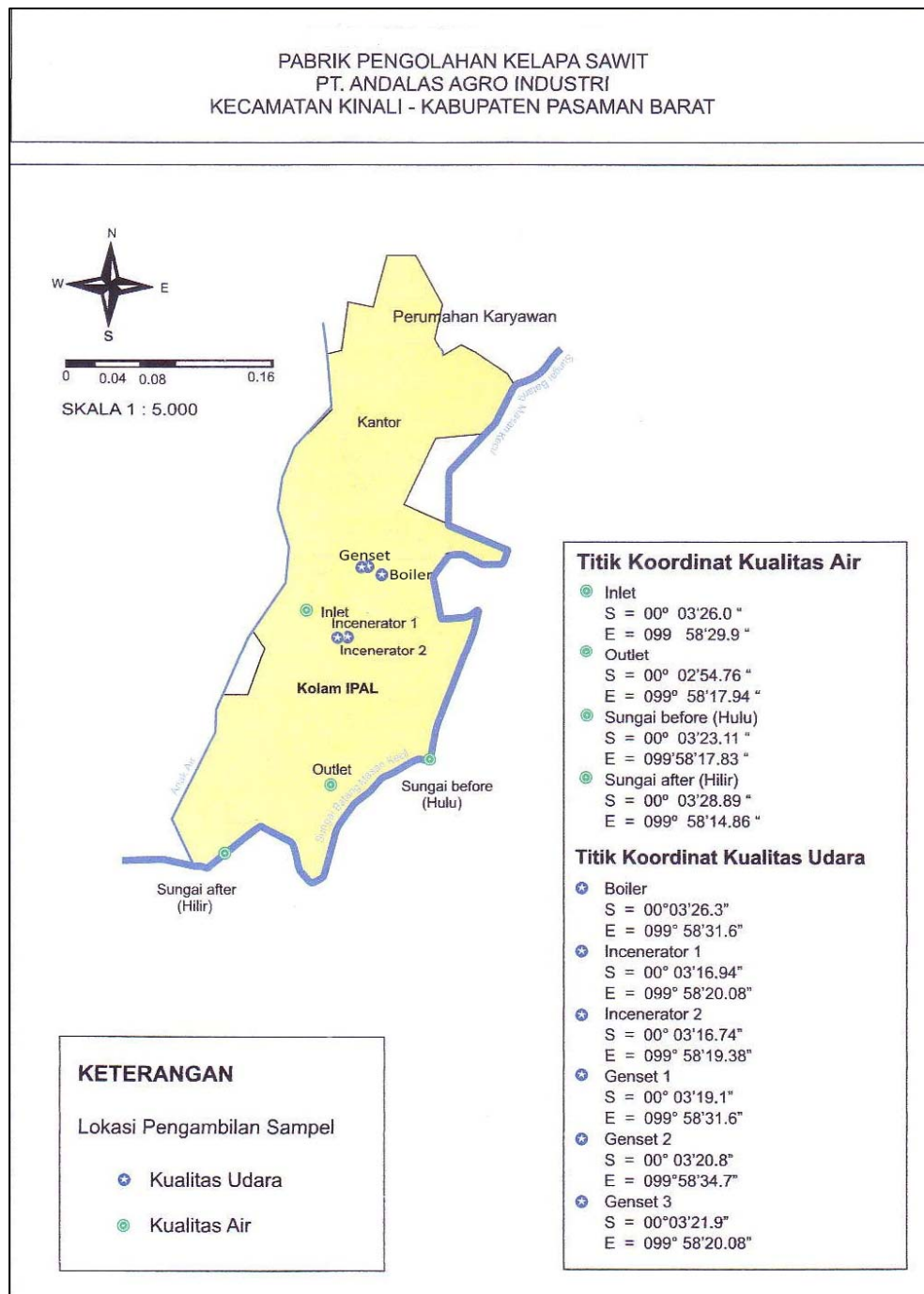


Figure 3. Operational Map of AAI POM



Abbreviations Used

AAI	:	Agro Andalas Industri
ASA	:	Annual Surveillance Assessment
ANDAL	:	<i>Analisis Dampak Lingkungan</i>
BMP	:	Best Management Practices
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jasa Sosial</i>
CITES	:	Convention, International, Threatened, Endangered Species
CPO	:	Crude Palm Oil
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EHS	:	Environmental, Health and Safety
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
GHG	:	Green House Gases
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title/Right)
HIRAC	:	Hazard Identification Risk Assessment and Control
HOE	:	Head of Engineering
HRD	:	Human Resource Department
HSE	:	Health Safety and Environment
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISO	:	International Standard Organization
ISPO	:	Indonesia Sustainable Palm Oil
IUCN	:	International Union for Conservation of Nature
KER	:	Kernel Extraction Rate
LIN	:	Laras Internusa
LSU	:	Leaf Sampling Unit
LUC	:	Land Use Change
MSDS	:	Material Safety Data Sheet
MUTU	:	Mutuagung Lestari
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSAS	:	Occupational Health and Safety Assessment Series
P&C	:	Principle and Criteria
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personnel Protective Equipment
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> OHS Committee
RKL- RPL	:	Environmental Management and Monitoring Report
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, threatened or endangered
SARBUKSI	:	<i>Serikat Buruh Industri Perkebunan Sawit</i> (Oil Palm Plantation Industry Labor Union)
SCCS	:	Supply Chain Certification System

SEIA	:	Social Environmental Impact Assessment
SIA	:	Social Impact Assessment
SPO	:	Sustainability Palm Oil
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i> (Indonesian Workers Union)
SOP	:	Standard Operating Procedure
SSU	:	Soil Sampling Unit
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governor on 12th November 2020. 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Andalas Agro Industri subsidiary of TSH Resources Berhad	
1.2.2	Contact person	Thambirajan Pillai	
1.2.3	Organisation address and site address	<p>Head Office: Menara TSH No.8, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur Malaysia</p> <p>Liasion Office: TSH Resources berhad Office PT. Karya Unggulan Cemerlang, Central Park Office Tower (APL Tower), 11th Floor, Unit 5 Podomoro City. Jl. Letjen S. Parman Kav. 28, Jakarta 11470 Indonesia</p>	
1.2.4	Telephone	+603 - 20840888	
1.2.5	Fax	+603 - 20840808	
1.2.6	E-mail	thambirajan.pillai@tsh.com.my	
1.2.7	Web page address	www.tsh.com.my	
1.2.8	Management Representative who completed the application for certification	Thambirajan Pillai	
1.2.9	Registered as RSPO member	1-0173-14-000-00 on 17th November 2014	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base One (1) Mill: AAI POM (PT AAI) and one (1) estate : Laras Estate (PT LIN)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Andalas Agro Industri POM	Air Rau Village, Sub District of Kinali, Pasaman Barat District, Province of Sumatera Barat, Indonesia	S 00° 03' 14" E 99° 58' 21"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Laras Estate	Sidodadi Village, Sub District of Kinali, Pasaman Barat District, Province of	S 00° 06' 40" E 99° 54' 42"

		Sumatera Barat, Indonesia		
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State	7,337.144	Ha	
	• Community		Ha	
1.5.2	Area Statement			
	• Total area	6,315.78	Ha	
	• Mature area	5,175.63	Ha	
	• Immature area	539.77	Ha	
	• Mill	28.14	Ha	
	• Buildings	57.60	Ha	
	• Nursery	19.58	Ha	
	• Roads	82.73	Ha	
	• Drainage	133.89	Ha	
	• Unplanted (Soil Erosion, Riparian)	118.35	Ha	
	• Replanting 2021	160.09	Ha	
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Laras Estate	Total	
	1992	632.83	632.83	
	1993	346.92	346.92	
	1994	68.19	68.19	
	1997	287.13	287.13	
	1998	551.67	551.67	
	2007	564.31	564.31	
	2008	159.53	159.53	
	2009	1202.40	1202.40	
	2010	186.52	186.52	
	2011	161.06	161.06	
	2012	319.14	319.14	
	2013	122.17	122.17	
	2014	188.98	188.98	
	2015	94.39	94.39	
	2017	290.39	290.39	
	Total Mature	5,175.63	5,175.63	
	2018	197.44	197.44	

	2020	280.08	280.08				
	2021	62.25	62.25				
	Sub Total Immature	539.77	539.77				
	TOTAL	5,715.40	5,715.40				
1.6.2	New Planting area after January 2010	1,072.26	Ha				
1.6.3	Planting Cycle	1 st Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Andalas Agro Industri POM	60	156,829.03	32,025.81	20.42	6,723.52	4.29
	*Production data source from October 2020 to September 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)	%
	Laras Estate	6,315.78	5,175.63	141,541.86	27.30	141,541.86	100
	TOTAL	6,315.78	5,175.63	141,541.86	27.30	141,541.86	100
	*Production data source from October 2020 to September 2021						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Smallholder Scheme (KUD MLKS) / non certified	Associate smallholders of PT LIN	1,050	224	3,654.05		
	Remediate area and HGU 13 / non certified	Associate area of PT LIN	-	139.39	11,633.12		
	TOTAL					15,287.17	
	*Production data source from October 2020 to September 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 (MT)		Last Year Actual Certified Volume (October 2020 to September 2021) (MT)	
	FFB Processed			148,200		141,541.86	
	CPO Production			32,600		29,540.66	
	Palm Kernel (PK) Production			7,400		6,067.01	
1.8.2	Product selling						

	Type of selling product			Actual selling product for last year (October 2020 to September 2021 (MT))				
	CSPO sold as RSPO certified product			0				
	CSPK sold as RSPO certified product			2,755.11				
	CSPO sold under other scheme			0				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			28,983.29				
	CSPK sold as conventional			3,261.05				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Production Area (Ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Laras Estate		6,315.78	5,175.63		143,000	27.60	
	TOTAL		6,315.78	5,175.63		143,000	27.60	
	*Projected FFB production for 12 months 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 (%)	
	Andalas Agro Industri POM	60	143,000	30,000	21.00	6,500	4.5	MB
	*Projected CSPO & PK production for 12 months certificate							
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			-				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Malaysia							
	Kunak POM	2018	Maju Sawit Estate	2018	Sabah, Malaysia	Certified		
			Wakuta Estate	2018	Sabah, Malaysia	Certified		
			LKSK Estate	2018	Sabah, Malaysia	Certified		
			Landquest Estate	2018	Sabah, Malaysia	Certified		
			RT Estate	2022	Sabah, Malaysia	Pending LUCA approval		
	Lahad Datu POM	2017	Gumantong Estate	2017	Sabah, Malaysia	Certified		
			OYH Estate	2017	Sabah, Malaysia	Certified		

Sabahan POM	2019	Sabahan Estate	2019	Sabah, Malaysia	Certified
Indonesia					
Andalas Agro Industri POM	2019	Laras Internusa Estate	2019	Sumatra Barat, Indonesia	Certified
		LARAS C (liability area and HGU 13)	2021	Sumatra Barat, Indonesia	Delay LUCA & HGU
		KUD MLKS	2023	Sumatra Barat, Indonesia	Planned Audit 2023
Sarana Prima Multi Niaga POM	2017	Sarana Prima Multi Niaga Estate	2017	Kalimantan Tengah, Indonesia	Certified
		Mitra Jaya Cemerlang Estate	2022	Kalimantan Tengah, Indonesia	HGU Progress
Farinda Bersaudara POM	2021	Farinda Bersaudara Estate	2021	Kalimantan Timur, Indonesia	Planned Audit November 2021
		Teguh Swakarsa Sejahtera Estate	2021	Kalimantan Timur, Indonesia	Planned Audit November 2021
		Munte Waniq Jaya Perkasa Estate	2021	Kalimantan Timur, Indonesia	Planned Audit November 2021
		Perkebunan Sentawar Membangun Estate	2021	Kalimantan Timur, Indonesia	HGU Progress
Andalas Wahana Berjaya POM	2021	Andalas Wahana Berjaya Estate 1	2021	Sumatra Barat, Indonesia	Awaiting for LUCA finalization and RaCP
		Andalas Wahana Berjaya Estate 2	2021	Sumatra Barat, Indonesia	HGU Progress
PT Bulungan Citra Agro Persada		Bulungan Citra Agro Persada Estate	2022	Kalimantan Utara, Indonesia	Planned Audit November 2022
PT Andalas Wahana Sukses		Andalas Wahana Sukses Estate	2022	Kalimantan Utara, Indonesia	Planned Audit November 2022
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard				
	LIN has a scheme of smallholders which is KUD MLKS. The certification unit has been planned to certified the KUD on 2023.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<p>1. Rizliani Aprianita Hasibuan (Lead Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, SA 8000, OHSAS 18001, social audit training by RSPO (verité), ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering legal, social aspect, health and safety aspect, worker welfare, waste management aspect etc. In this audit, she assigned to verify worker welfare, transparency and social aspects.</p> <p>2. Briyogi Shadiwa (Auditor). Indonesian citizens. Associate Degree of Oil Palm Plantation, Bogor Agricultural University. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified the Legality, SCCS and TBP.</p> <p>3. Septian Maulana (Auditor). Indonesian Citizen, Bachelor of Economic, Pamulang University. Have experience as sustainability staff on oil palm plantation. Training have been followed including Occupational Health and Safety Expert Candidate certification by Ministry of Manpower and Transmigration of Indonesia; Awareness Integrated Management Systems (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018); Basic Fire Fighting; Basic First Aid; Understanding the regulations and technical aspects of environmental management; Training of Immobilization after a venomous snake bite; Awareness ISO 19011:2011; Awareness ISO 17065:2012; Awareness ISO 17021:2015; ISO 14001:2015; and ISO 45001:2018; ISO 9001:2015 Lead Auditor, ISPO Lead Auditor, and RSPO Lead Auditor. In this audit activity was verified OHS and Best Management Practices Aspect.</p> <p>4. Erika Lucitawati (Auditor Trainee). Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. In this audit, she verified transparency, environmental, conservation and GHG aspects with supervision by Lead Auditor.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors: 3 auditors and 1 Trainee.</p> <p>Number of days for ASA-2 on location: 3 days.</p> <p>Number of working days for ASA-2 on location: 9 Working days.</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Andalas Agro Industri & PT Laras Internusa to the requirements of Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) 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.</p> <p>Some opportunities for improvement of the results ASA-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-3).</p> <p>Improvement of findings from ASA-1 findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.</p>

The assessment program please find Appendix 2	
2.2.3	Locations of Assessment
ASA-2	<p>The sampling location consider the issue arise 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>POM PT AAI</p> <ul style="list-style-type: none"> • Spare part storage. Observation for material handling, environmental and OHS aspect. • Chemical storage. Observation for material handling, environmental and OHS aspect. • Workshop. Observation and Interview with 2 workers related to OHS and workers welfare aspect. • Temporary hazardous waste storage. Observation for OHS, material handling, and hazardous waste management. • Engine room. Observation and interview with 1 worker related OHS and workers welfare aspect. • Boiler Station. Observation and interview with 3 workers related OHS and workers welfare aspect. • Press Station. Observation and interview with 1 worker related OHS and workers welfare aspect. • Incinerator Empty bunch Area. Observation related waste management. • Loading Ramp Station. Observations and interviews related work procedure, safety aspect, worker welfare etc. • Dispatch Station. Field observation related to safety aspect, environment aspect etc. • Water Treatment Plant. Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc. • Security Post. Observations and interviews related FFB Receiving procedure, safety aspect, worker welfare etc. • Weighbridge Station. Observations and interviews related FFB Receiving procedure, safety aspect, worker welfare etc. • HGB Pole no. 2 & 3. Observation legal boundary • Waste water treatment plant and outlet POME disposal to river. Observation and interview related to palm oil mill effluent management and potential contamination • Water Intake. observations and interview related to water sources and water management for mill process activities. <p>Laras Estate PT LIN</p> <ul style="list-style-type: none"> • Manuring Block F38. Observation and interview with 11 workers and 1 foreman related environmental, OHS aspect and workers welfare aspect. • Harvesting Block G39/40. Observation and interview with 5 workers and 1 foreman related environmental, OHS aspect and workers welfare aspect. • Subsidence Pole Block C14. Observation related peat subsidence and subsidence pole condition. • Piezometer and Weirs Block C12. Observation related water level. • Replanting area Block D12/13. Observation related replanting mechanism with zero burning. • Riparian, Block A14. Field observation related to conservation area and environment aspect. • HGU Pole no. 48 & 47. Observation legal boundary • Emplacement, Block E23. Observation and interview to resident related to domestic waste management, amenities sufficiency, complaint mechanism. • Landfill, Block D05. Observation related to domestic waste handling • Material storage. Observation and interview about storage condition, kind of material, PPE stock, and OHS implementation, and employment. • Chemical storage. Observation and interview about storage condition, pesticide stock, OHS implementation, employment and emergency response. • Fertilizer storage. Observation and interview about storage condition, sterilizer stock, OHS implementation, employment and emergency response.

	<ul style="list-style-type: none"> • Workshop. Observation and interview with workers about worker welfare, OHS implementation, waste management, worker training, and complaint mechanism • Hazardous waste storage. Observation about storage condition, OHS implementation, kind of hazardous waste, and waste management. • Rinse House. Observation and interview related to the conditions body shower room, sprayer storage, hazardous waste management and PPE handling. • First aid post. Observation related to infectious waste management, and interview with paramedic about work accident and waste management. <p>Stakeholder</p> <ul style="list-style-type: none"> • Plantation Agency of Pasaman Barat Regency • Labor Agency of Pasaman Barat Regency • National Land Agency of Pasaman Barat Regency • Environmental Agency of Pasaman Barat Regency • Worker Union • Gender Committee • Local Contractor (CV Anugrah Mandiri) • Head of <i>Jorong</i> Padang candu • Head of <i>Nagari</i> Kinali
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Andalas Agro Industri was held by:</p> <ul style="list-style-type: none"> • Public announcement in MUTU website on 14 days before audit. • Public consultation meeting with government institution of Pasaman Barat Regency and village representatives on 05 October 2021 • Public consultation meeting with internal stakeholders and contractor 05 to 06 October 2021 • Consultation with NGO (Sawit Watch, WALHI and WWF) via email on 29 September 2021.
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-3) will be conducted eight (8) months to twelve (12) months after ASA-2

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Andalas Agro Industri POM – PT Andalas Agro Industri Subsidiary of TSH Resources Berhad operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were no Nonconformities were assigned against Major and Minor Compliance Indicator; no nonconformance(s) against supply chain requirement for CPO mill Andalas Agro Industri POM 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.

MUTUAGUNG LESTARI found that Andalas Agro Industri POM – PT Andalas Agro Industri complied with the requirements of Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, 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	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	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.	
1.1.1	<p>The company has had procedure regarding the list and provision of information in SOP of Information Request (ST-SOP07-02 Rev 02, April 2015). In the procedure, the list of information that can be accessed consist of land use rights, complaint book, the data of area and production, evidence of land tenure, Environmental Impact Assessment (EIA), High Conservation Value (HCV) identification report, Social Impact Assessment (SIA) identification reports, community empowerment program reports, guiding committee of occupational health and safety report, the document of improvement program, documents of human rights policy.</p> <p>Documents that can be accessed by the public are listed in the procedure for providing information to public for environmental aspect such as:</p> <ul style="list-style-type: none"> • The CSR program and update realization • The routinely mandatory report with such as hazardous waste management report; POME report; environmental management & monitoring plan report. • Planning and assessment of social and environmental impacts • The HCV program and update realization <p>The company regularly submitted the mandatory report to the related such as in aspect of plantation and land legality (HGU utilization report, plantation progress report), environmental (environmental license document implementation report, waste management report), OHS (employment report, OHS management report). For example, mandatory reports in environmental aspect is shown below:</p> <ul style="list-style-type: none"> • Report of Hazardous and Toxic Waste Management and Report of POME Management in Second Quarter of 2021 	

and Report of RKL-RPL in First Semester of 2021 of PT AAI has been delivered to Environment Agency of Pasaman Barat Regency, One-Stop Integrated Service and Investment Service of Pasaman Barat Regency and Environment Agency of West Sumatera Province on 27 July 2021.

- Report of RKL-RPL in First Semester of 2021 of PT LIN has been delivered to Environment Agency of Pasaman Barat Regency on 30 July 2021, Sumatra Ecoregion Management Center on 23 August 2021, and Environment Agency of West Sumatera Province on 31 August 2021.

1.1.2

The information delivered to the stakeholders arranged in Indonesian language such as:

- The CSR program and update realization
- The routinely mandatory report with such as hazardous waste management report; POME report; environmental management & monitoring plan report.
- Planning and assessment of social and environmental impacts
- The HCV program and update realization

1.1.3

The company has had a SOP of Request of Information and External Communication (No. ST-SOP07-05 Rev 05 dated 18 February 2021). The procedure explains the open and transparent method of communication and consultation with stakeholders, workers, grower, local communities, or other affected parties. Community Development is person in charge of communication and consultation, including the dissemination of company's procedures and policies. Request of information must be answered by the company within 20 working days.

Recording information requests can be seen in Logbook of incoming and outgoing mail. For example, company has shown several documents as follows:

1. Letter No. 525/407/DISBUN/2021 on 15 July 2021 from Pasaman Barat Regent to all plantation company management in Pasaman Barat Regency about plantation permit compliance in Pasaman Barat Regency. This letter has been responded by the company on 2 August 2021 through Letter No. 14/LIN-VIII/CD/2021 about announcement of HGU and IUP Permit in PT Laras Internusa.
2. Letter No. W3.IMI.IMI.2-GR.04.02-0144 on 15 April 2021 from Immigration Office of Class II Non TPI Agam West Sumatera Region to PT Andalas Agro Industri (AAI) Management about request for report of foreigner presence report. This letter has been responded through letter No. 030/AAI-POM/V/2021 on 8 May 2021 about Report of Presence of Foreigner for period May 2021.

1.1.4

The company has had a SOP of Request of Information and External Communication (No. ST-SOP07-03 Rev 03 dated 30 November 2018) as well as Policy of Transparency. The procedure and policy explain the open and transparent method of communication and consultation with stakeholders, workers, grower, local communities, or other affected parties. Community Development is person in charge of communication and consultation, including the dissemination of company's procedures and policies. The SOP has been disseminated through pamphlet in the unit offices. Based on result interview with Jorong Padang Candu and Nagari Kinali representatives, they have known the way to communicate and to consult with the company.

1.1.5

The company has had a list of stakeholders of 2021 which covering the information of name and address, contact, telephone, email consist of government bodies in Provincial, Regency, and Sub-District, Village Officials, community group and leaders, NGOs, suppliers and other contractors.

	Status: Comply	
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1.2

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

1.2.1

The company has a Human Rights and Responsible Business policy no. ST-POL09-03 revision 03 dated January 2018

which is available in bahasa. In the policy it is explained that TSH understands and is aware of the importance of protecting human rights and is fully committed to eliminating human rights violations and effectively managing issues that support human rights and the FPIC process as well as implementing practices ethically and responsibly. The policy also explains that the company respects reasonable business behavior and prohibits fraudulent use of funds and resources.

The results of interviews with representatives of labor unions and contractors, obtained information that the company has provided socialization related to company policies, including policies for ethical behavior.

1.2.2

The system to monitor compliance with ethical policies is carried out through monitoring complaints. The Company has an External Information and Communication Request Procedure No. ST-SOP07-05 revision 05 dated February 18, 2021. The procedure explains the flow of complaints of violations (Whistle blowing channel) related to disclosure of bad behavior, errors, corruption, fraud, abuse of procedures, laws and organizational regulations. From the results of the verification of the complaint document, it is known that there were no complaints related to violations of ethical behavior.

In addition, the company also routinely conducts internal audits every year covering aspects of the RSPO including ethical behavior. The RSPO internal audit conducted on May 24 – 28, 2021. And from the results of the internal audit conducted, there is no indication of a violation of ethical behavior.

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 already has a document of cooperation with the community related to the development of community plasma (progress detail), including:

- Cooperation Agreement No. 001/Ist/LIN/Plasma/IX/2012 dated 3 September 2012 between Palm Oil Cooperative Mandiangin Langgam Kinali Sejahtera and PT Laras Internusa regarding the Development and Management of a 1,000 Ha Oil Palm Plasma Plantation in Jorong Mandiangin Village, Nagari Katiagan, Kinali District, West Pasaman Regency. This agreement is valid for a period of 30 years until September 3, 2042.
- Deed of Notary Zurriati Zulherman, SH, M.Kn number 554/SBTB/IX/2013 dated 19 September 2013 regarding the Palm Oil Cooperative Agreement Mandiangin Langgam Kinali Sejahtera (MLKS Palm Oil Cooperative) with Majosadeo (as Urek Tunggang Adat Kinali) and Nakodo Rajo (as Ninik Mamak, Ruler of the Mandiangin Ulayat). Handover of management rights from Ninik Mamak/Ulayat ruler to the MLKS Palm Oil Cooperative in the context of tying up cooperation in the development of oil palm plasma plantations with PT Laras Internusa. The share of plasma plantation yields is 47.5% for Nakodo Rajo; 45% for Majosadeo and 7.5% for the MLKS Palm Oil Cooperative.
- Addendum No. 01/ADD/LIN/PLASMA/V/2016 dated May 11, 2016 Cooperation Agreement for Development and Management of Oil Palm Plasma Plantation Number 001/Ist/LIN/Plasma/IX/2012 between Palm Oil Cooperative Mandiangin Langgam Kinali Sejahtera and PT Laras Internusa .
- The company has entered into an MoU for the development of plasma plantations with the Mandiangin Langgam Kinali Sejahtera Cooperative No. 001/Ist/LIN/Plasma/IX/2012 dated September 3, 2012 in March 2019. As for the results of the addendum, there is an additional area of 381 hectares which is planned to be planted in the enclave/occupation area.
- Based on the statement letter of the Mandiangin Langgam Kinali Sejahtera Palm Oil Cooperative on July 8, 2021 which was signed by the Chairman of the Cooperative, stating that:
 1. Currently, the total land that can be planted and produces is 231 ha.
 2. Total land that has been planted but is in the process of being rehabilitated is 354 ha.
 3. Total land that cannot be planted due to flooding (river widening) is 415 ha.
- Regarding the total land area of 354 ha, previously planted by the company in 2015 but the area became unproductive due to flooding. The company determined the area of 354 to be replanted.

- Based on the explanation from the cooperative and the company, the constraint for plasma development is the widening of the river due to natural factors that make the location of the plasma area flooded and difficult to plant. The cooperative has also coordinated with the relevant agencies, but due to the river normalization activities that require a large amount of money, the company will gradually repair the embankment.
- In 2021, the company has continued development in the 1,000 ha cooperative area, this is stated in the Letter of Agreement with the contractor who carried out land clearing and land planting, including:
 1. SPK No. 76/SPK-LIN.B/CV.DCS/VIII/2021 on 23 August 2021 with CV Dimas Citra Selaras
 2. SPK No. 77/SPK-LIN.B/CV.DCS/VIII/2021 on 23 August 2021 with CV Dimas Citra Selaras
 3. SPK No. 78/SPK-LIN.B/CV.DCS/VIII/2021 on 23 August 2021 with CV Dimas Citra Selaras
- In July 2021, there was an obstruction in the contractor's work in the plasma area which was planned according to the contractor's work agreement, so that the contractor was unable to carry out the work.
- As a follow-up to the incident, the company together with the cooperative reported to the authorities, namely the Head of the West Pasaman Resort Police on July 27, 2021. The document explains the chronology of the incident regarding the alleged seizure of land belonging to the plasma palm oil cooperative Mandiangan Langgam Kinali Prosperity in partnership with PT Laras Internusa which is located in Block E47 covering an area of 3 ha. The complaint letter was received by Brigadier Syafrizal.
- On September 8, 2021, the police showed a Notice of Investigation Commencement (No.SPDP/67/IX/2021/Reskrim) related to the case of control and obstruction of work on the construction of a plasma plantation belonging to the Palm Oil Cooperative Mandiangan Langgam Kinali Sejahtera.
- The company also showed a recording of the fire report of the contractor's work equipment in the plasma plan area on September 20, 2021. It is known that the Excavator unit belonging to CV Dimas Citra Selaras was burned by an irresponsible party.
- On September 20, 2021, the West Pasaman Resort Police issued a Notice of Suspect Determination (No. R/186/IX/2021/Reskrim), naming the suspect on behalf of Misnardi, Muzardin and Binal Afri regarding the alleged possession and obstruction of the plantation development work. belongs to the plasma of the Mandiangan Langgam Kinali Sejahtera Palm Oil Cooperative. The letter has been submitted to the Head of the West Pasaman District Prosecutor's Office.
- On October 4, 2021, the company and the Palm Oil Cooperative Mandiangan Langgam Kinali Sejahtera held a meeting to discuss the commitment to continue plasma development while waiting for the results of the prosecutor's decision regarding the determination of the suspect for obstruction of plasma development work.

Based on that objective evidences, companies are encouraged to ensure the development of the community Plasma. **OFI**

Environmental aspect

- The hazardous waste storage permit PT Laras Internusa according to the decision of the Head of Permit Integrated Services and Investment Service of West Pasaman District on November 30th 2018, valid 5 years
- The hazardous waste storage permit PT AAI according to the decision of the Head of Permit Integrated Services and Investment Service of West Pasaman District date 7 October 2019 valid 5 years.
- The environmental permit PT AAI accordance with the decision Head of the West Pasaman Regency Environmental Service on May 16th, 2018.
- The POME disposal to river accordance permit by decree of Pasaman Barat regency No 503/04/DPMPTSP/II-2019 dated 20 February 2019 valid 5 years.

The company has presented of addendum of environmental permit process in the following documents:

- Letter No. 365/SK/WN.Knl/IX-2020 issued by Nagari Kinali representative on 7 September 2020 regarding recommendations for approval of spatial suitability.
- Application for Recommendation for Space Utilization Permit No. 05/LIN-I/CD/2021 from PT Laras Internusa which was received on 21 January 2021 by Regent of Pasaman Barat Cq. Chairman of Regional Spatial Planning Coordination Team of West Pasaman Regency.
- Recommendation Letter No. 04/Rek/C.Knl/II/2021 issued by the District Head of Kinali on 3 February 2021 regarding the recommendation for a permit for managing space utilization to PT Laras Internusa.
- Minutes of Location Review Results conducted by Regional Spatial Planning Coordination Team of West Pasaman

Regency on 9 February 2021. The results of the field survey show that companies are directed to attach administrative requirements (HGU certificate, SHM, conservation area, etc.) to Regional Spatial Planning Coordination Team of West Pasaman Regency. Regional Spatial Planning Coordination Team of West Pasaman Regency includes Head of Spatial Planning, Head of Plantation Agency, Head of Environmental Impact Supervisor, Spatial Planning Staff, Forest Police of Pasaman Raya, Environmental Agency staff, etc.)

- Receipt by the Head of the Public Works and Spatial Planning Office of West Pasaman Regency on 23 February 2021 regarding the submission of the HGU, IUP, HGU overlay map with HGU coordinates, plasma park year map, PT LIN plasma map and MoU agreement plasma with the company. This letter is a follow-up to the results of a field survey by the Regional Spatial Planning Coordination Team of West Pasaman Regency to PT LIN for an environmental permit application.

Worker Welfare

The minimum wage is based on the Governor of Sumatera Barat Decree No. 562-600-2020 concerning Province minimum wage in Sumatera Barat Province in 2021 amounting to Rp. 2,484,041.

2.1.2

The mechanism to ensure legal compliance is carried out through an internal sustainability audit once a year, in accordance with the Internal Audit Sustainability SOP (No. ST-SOP09-04 Rev 4 dated November 2017). On this procedure describes every year, sustainability team conduct monitoring and evaluating of compliance with laws and regulations and requirements.

The latest law register document (updated in May 2021), covers national and local regulations related to aspects of legal, labor, health and safety, and environmental such as:

- Ministry of Manpower Regulation No. 5/2018 related to Occupational Safety and Health for Worker Area
- Ministry of Agriculture Regulation No. 5/2018 related to land clearing without burning
- Ministry of Forestry and Environment Regulation No. 5/2018 related to Standards and Certification of Competencies of Responsible Operators for Wastewater Treatment Operations and Person in Charge of Water Pollution Control.
- Ministry of Manpower Regulation No. 38/2016 related to OHS for Power and Production Vehicle
- Government Regulation No. 22/2021 related to environmental management and protection
- Etc.

2.1.3

The company is still using the same procedures related to operational boundary management as the previous assessment in the SOP for HGU No. ST-SOP06-03 which explains several points including:

- standard and size of HGU pole.
- Maintenance of access to HGU pole.
- Monitoring of HGU Locations
- Pole Repair

In order to implement the management of operational boundaries, the company also shows records of monitoring and management of HGU boundary markers, where currently there are 59 poles at the company's operational boundaries. The auditor done field observations at poles no. 47 and 48, it was known that the poles were in the company's HGU and bordered on community land. The auditor did not find any indication of investment outside the rights that have been granted to the company.

	Status: Comply	
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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; 2.2.2; 2.2.3

The company has a list of contractors and suppliers working with PT LIN – AAI POM which informs the contractor's name,

address, contact number and others, as follows :

- PT LIN : 16 contractors
- PT AAI : 2 contractors and 1 FFB Supplier

The company has shown the agreement with the contractor, for example:

- Agreement No. 87/SPK-LIN.A/WHY/IX/2021 dated August 2, 2021 for loading and unloading of fertilizers.
- Agreement No. 94/SPK-LIN.A/CV.MB/IX/2021 dated 2 August 2021 for FFB transportation activities
- Agreement No. 93/SPK-LIN.A/CV.CS/IX/2021 dated 2 August 2021 for FFB transportation activities.

In the agreement with the contractor, the compliance with applicable laws has been explained, such as:

- The second party is obliged to provide wages to its employees in accordance with the applicable minimum wages.
- The second party must register its employees for BPJS Employment and BPJS Health
- The second party is prohibited from employing children under 18 years of age, forced labor and workers from human trafficking
- The second party is obliged to provide PPE to all employees and requires all employees to wear PPE when working.

The company demonstrates compliance with third party regulations, for example:

CV Mutiara Bunda (transport FFB):

- Evidence of payment of BPJS Employment for September 2021 with reference number A166FD0BEF7ED148 on 7 September 2021
- Evidence of payment of employee wages for the period August 2021 for worker with initial WR. Meanwhile, the wages of contractor workers are in accordance with the provincial minimum wage.
- BPJS health card for worker with initial WR No. 0002919664449

CV Cahaya Silpas (transport FFB)

- Evidence of BPJS Employment payment on 27 July 2021
- Evidence of payment of employee wages for the September 2021 period for worker with initial ET. Meanwhile, the wages of contractor workers are in accordance with the provincial minimum wage.
- BPJS health card for worker with initial ET No. 0002920938603

In addition, the company also shows the fulfillment of PPE by contractors which is contained in the contractor employee PPE Checklist document, for example the recording of the PPE checklist on September 10, 2021 and August 10, 2021.

Status: Comply

2.3

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

2.3.1

Based on field observations at the factory and also a review of records of FFB receipts over the past year (12 months before assessment), the company only received FFB from plantations managed by the TSH group (parent company PT Andalas Agro Industri and PT Laras Internusa). For FFB originating from plasma, it is also plasma assisted/managed by PT Laras Internusa. The company does not receive FFB from plantations managed by other third parties.

2.3.2

Based on indicator 2.3.1 explanation, there's no FFB receipt from other parties.

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 company shows PT AAI & PT LIN including scheme smallholders long-term budget documents for the period 2019 - 2025 which informs CPO revenues, PK revenues, empty shell & EFB, Cost of FFB, Cost of sales, gross profit, loss before taxation, loss after taxation, FFB purchased (MT), processed FFB (MT), Processing capacity / hour, percent of capacity, CPO Production, OER (%), PK Production, KER (%), CPO Price / MT, PK Price / MT and FFB Price / MT.

3.1.2

The company can show a replanting program document for the period 2021 – 2025 which informs the location of the block, the area of Ha, and the year of planting, briefly the area (Ha) of the replanting program as follows:

Year	Ha
2021	406.86
2022	431.04
2023	407.04
2024	437.48
2025	426.67

The company can show the Replanting Work Agreement No. 72/SPK-LIN.A/CV.VW/VII/2021 dated July 1, 2021 between PT Laras Internusa and CV. Vatrco Wiranusa along with the recording of the minutes of work completion as of August 31, 2021.

3.1.3

Companies can show records of management reviews, for example those conducted on January 11, 2021 in the PT LIN Meeting room. The activity was attended by 26 participants consisting of Directors, Managers, Assistants, HRD, Sustainability, etc. In summary, the issues discussed during the management review include:

- Review of 2020 program
- Review of RSPO ASA 1 audit results and internal audit sustainability
- Review of OHS program performance in 2020
- Review of environmental management and handling performance
- Review of policy
- Review of SOP
- Best management practice

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 can show evidence that it has implemented an action plan for continuous improvement, including:

- The company carried out an annual RSPO internal audit which was last held on 24 – 28 May 2021. Based on the report there were (Nine) 9 non-conformities and all of them were met.
- The company has used biological control agencies as a biological pest control agent.
- Based on the results of field visits and document studies, it is known that the company is no longer using pesticides with the active ingredient paraquat.
- The company already has a social and environmental impact management and monitoring plan document.
- The company already has a CSR program that is based on the participation of the surrounding community.

3.2.2

The company has shown the auditor regarding the RSPO metric template Version 2.1 that has been filled in according to the facts and data in the company's record documents, such as the number of workers, the area of production to the

record of work accidents. Based on team auditor's review, the information has been match with others document, such as supply chain record, demographic workers, etc.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Based on document review and interviews with management, it was found that until the RSPO ASA-2 activities were implemented, there had been no changes to the company's procedures. The company has sets of procedures for oil palm cultivation and palm oil processing which are available in Indonesian language. Oil palm cultivation procedures include land clearing, water and soil conservation, integrated pest management, plant upkeep, harvesting and transportation whereas for palm oil processing procedures include FFB receipts, FFB grading, FFB processing, and CPO quality sampling.

Based on the results of field visits and interviews with workers, for example fertilizing activities, harvesting activities and St. Engine Room, it is known that workers can explain the work process flow in their respective parts.

3.3.2

The company has the Manual Quality Assurance with the number QM-SOP01-29 which established 01 May 2017. The procedure outlines several things such as the company's management system, company operational requirements, audit planning, and coordination, reporting and follow-up on audit results.

Meanwhile, inspections related to work carried out by contractors are listed in the SPK, for example SPK Replanting No. 72/SPK-LIN.A/CV.VW/VII/2021 dated July 1, 2021 between PT Laras Internusa and CV. Vatrigo Wiranusa Article 3 "Checking". In addition, after the work is completed, the detailed work measurement / inspection is witnessed by the contractor or his representative as the basis for making job inspection report.

3.3.3

The company can show records of RSPO Internal Audit activities, for example activities carried out on 24 – 28 May 2021. Based on the report, it was found that there were nine (9) non-conformities. By the time the RSPO ASA-2 audit was carried out, all of these non-conformities had been met, in addition the company was also able to show a follow-up record of the fulfillment of these non-conformities.

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

Environmental Impact Assessment Document

PT LIN

The company showed changes to environmental permits of PT Laras Internusa (Estate) activities in Kinali District, West Pasaman Regency according to the decision of the West Pasaman Regent No.188.45 / 726 / BUP-PASBAR / 2015 with a core area of 7,000 ha (Land Use Title in 1994) and approved since August 13th, 2015. As well as reporting matrix related to physical, chemical and biological components every 6 months to agencies related.

PT AAI

The company shows environmental permits for the activities of the Palm Oil Processing (PT AAI) in Kinali District, West Pasaman Regency in accordance with SK 503/15 / DPMPTSP / V-2018 by the Head of Investment and Integrated Services one Door West Pasaman with a land area of 28.1437 ha is located at Air Rau Jorong VI Koto Selatan Nagari Kinali, Kinali Sub-District and Pasaman Barat District. The scope of this environmental activity includes the addition of boilers, turbines, storage tanks, WWTP ponds, road repairs and the addition of workers housing. Approved on May 24th, 2018.

The approval of the environmental management document (DPLH) of the Palm Oil Processing Plant of PT Andalas Agro Industri, Kinali District in accordance with SK No.660 / 039 / Peng. DPLH / DLH / 2018 by the Head of the West Pasaman

Regency Environmental Service on May 16th, 2018. Based on the explanation above, the company has Environmental documents in the form of *AMDAL* and *DPLH*.

Besides, the company has presented of addendum of environmental permit process in the following documents:

- Letter No. 365/SK/WN.Knl/IX-2020 issued by Nagari Kinali representative on 7 September 2020 regarding recommendations for approval of spatial suitability.
- Application for Recommendation for Space Utilization Permit No. 05/LIN-I/CD/2021 from PT Laras Internusa which was received on 21 January 2021 by Regent of Pasaman Barat Cq. Chairman of Regional Spatial Planning Coordination Team of West Pasaman Regency.
- Recommendation Letter No. 04/Rek/C.Knl/III/2021 issued by the District Head of Kinali on 3 February 2021 regarding the recommendation for a permit for managing space utilization to PT Laras Internusa.
- Minutes of Location Review Results conducted by Regional Spatial Planning Coordination Team of West Pasaman Regency on 9 February 2021. The results of the field survey show that companies are directed to attach administrative requirements (HGU certificate, SHM, conservation area, etc.) to Regional Spatial Planning Coordination Team of West Pasaman Regency. Regional Spatial Planning Coordination Team of West Pasaman Regency includes Head of Spatial Planning, Head of Plantation Agency, Head of Environmental Impact Supervisor, Spatial Planning Staff, Forest Police of Pasaman Raya, Environmental Agency staff, etc.)
- Receipt by the Head of the Public Works and Spatial Planning Office of West Pasaman Regency on 23 February 2021 regarding the submission of the HGU, IUP, HGU overlay map with HGU coordinates, plasma park year map, PT LIN plasma map and MoU agreement plasma with the company. This letter is a follow-up to the results of a field survey by the Regional Spatial Planning Coordination Team of West Pasaman Regency to PT LIN for an environmental permit application.

Social Impact Assessment Document

The social impact assessment for PT AAI and PT LIN carried out on 7-11 March 2014 and 16-18 November 2015, sighted the report of SIA revision on 1-3 February 2017, conducted by MEC Sdn Bhd conducted.

SIA document has been compiled based on the aspirations of the community through in-depth interviews and Focus Discussion Group, assessment involved both internal and external parties at PT LIN and PT AAI, public consultation held on 19 December 2015. The Focus Discussion Group participant consists of: Local communities namely *Jorong* Sidodadi, Koto Gadang Jaya, Bangun Rejo, Alamanda, Mandiangin and Anam Koto Selatan (PT AAI).

- Village and sub-district governments
- PT LIN and PT AAI workers
- Gender and marginalized groups.

Based on document verification an attendant list of a public consultation on 19 November 2015, in Kinali Sub-District which was attended by 38 external and 22 from the company's internal parties. The assessment process has covered all potential factors and impacts, such as land submission and compensation, land ownership patterns, transmigration history, the socio-economic conditions of the transmigration and local communities, the social culture of the community, the existence of communal land, and the construction of plasma.

3.4.2

Environmental Impact Management and Monitoring

The Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (RKL-RPL) for AAI POM and environmental monitoring and management plan (RKL-RPL) report for PT AAI & PT LIN. The company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly.

The company is consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per the sixth month regularly. These reports described the realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL. Besides, RKL-RPL report documents for second semester of 2020 and first semester of 2021 have included evaluation of trends,

evaluation of critical levels and evaluation of compliance towards environmental parameters in accordance with Decree of Minister of Environment No. 45 of 2005.

Social Impact Management and Monitoring

Meanwhile, the social management & monitoring program describe on the SIA program document years 2021 consist of worker housing, water and sanitation, education facilitation, health facilities, wages and working conditions, worker union, occupational health and safety, grievance mechanisms, gender issues, social responsibility, land dispute, local community income, community relation with the company, and smallholders' land/cooperatives.

The Company has shown the Minutes of Socialization/Consultation document regarding the action plan and monitoring of social and environmental impacts in 2021 which were carried out on 11 January 2021 to the surrounding community including representatives of Jorong Sidodadi, Bunut, Padang Candu, and Koja; and on 22 January 2021 to the contractor and employee.

3.4.3

Environmental Impact Management and Monitoring

The implementation environmental program PT LIN consist of Land quality, river water quality, Land & Office fire hazards, air & noise quality, changes in physical-chemical properties and soil fertility, plant pests & diseases, management of schedule waste, decreased environmentally, vegetation, and animal sanitation, workers opportunities, and business, disruption of work health & safety and social conflict. Meanwhile implementation environmental program PT AAI consist of POME testing, air quality, surface water quality, social component of society (population, economy, social culture, community health, public perception, public facilities & infrastructure).

Social Impact Management and Monitoring

The social management & monitoring program implementation described on the SIA program document report years 2021. Scope plans include: worker housing, water and sanitation, education facilitation, health facilities, wages and working conditions, worker union, occupational health and safety, grievance mechanisms, gender issues, social responsibility, land dispute, local community income, community relation with the company, and smallholders' land/cooperatives. The plan includes categories, issues, actions taken, actions to be taken, targets, time frames and person in charge. The person in charge is a Department of Public Relations and the estate will monitor community satisfaction every 2 years and respond to any complaints, through informal meetings received from community members.

The Company has shown the Minutes of Socialization/Consultation document regarding the action plan and monitoring of social and environmental impacts in 2021 which were carried out on 11 January 2021 to the surrounding community including representatives of Jorong Sidodadi, Bunut, Padang Candu, and Koja; and on 22 January 2021 to the contractor and employee.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1 & 3.5.2

The company shows the revised employee recruitment procedures changes in point 7.3 onwards with document number HR SOP01-02 June 2017 approved by the Company's Director. The document informs about:

- Submission of new employee requests is made by the Estate Manager by filling in the Employee Request Form (Appendix R).
- The Employee Request Form is then submitted to HOE for approval.
- The employee recruitment process will continue after all the signatures required on the form have been completed and approved accordingly.
- HRD will keep all the records related to recruitment form.

In addition, the mechanism related to employment has also been explained in the Company Regulation, which explains, among others:

- Acceptance of new employees and probationary period, explained in article 10

- New employee induction and training program explained in article 11
- Promotions and demotions explained in chapter 15
- Assessment of work performance explained in article 16
- Exemption of employees from work explained in Chapter IV
- Termination of employment explained in article 54

The company has a policy regarding discrimination with no. ST-POL03-02 revision 02 dated October 2015. This policy also applies to recruitment selection, hiring and promotion processes.

The company has kept a track record of employees. For employee recruitment, the stages for recruitment are job application letters, CV, copies of identity cards, and supporting documents such as certificates, diplomas, transcripts and others. The company shows employee track record documents stored in each unit (factory and plantation).

The company has shown a record of the implementation of employment procedures, for example :

- Agreement No. 80/PKWTT/HRD/PT LIN A/II/2020 dated December 4, 2020 (probation) and letter of appointment based on letter No. 06/SK-Permanent/HRD-PT LIN A/III/2021 dated March 9, 2021 (appointment). Recruitment documentation has also been shown such as CV, job application, ID card, assessment results and the results of the employee's health examination.
- Agreement No. 33/PKWTT/HRD/PT LIN B/VI/2021 dated June 2021 (probation) and letter of appointment based on letter No. 35/SK-Permanent/HRD-PT LIN B/IX/2021 dated 20 September 2021 (appointment). Recruitment documentation has also been shown such as CV, job application, ID card, assessment results and the results of the employee's health examination.

The results of interviews with workers and labor unions revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers have already know about employment procedures such as termination, retirement or promotion. Based on that interview known that there is no discrimination against workers. The company has provided employee rights in accordance with company regulations and applicable regulations.

Status: Comply

3.6

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

3.6.1

The company can show the document of Hazard Source Identification, Risk Assessment and Control TSH Group PT Andalas Agro Industri (Mill) and PT Laras Internusa (Estate) for the period January – December 2021. The document is related to the type of activity, potential hazard, OHS risk, risk before control, type of risk control, assessment after control (opportunity, consequences, level of risk) and the person in charge.

3.6.2

The company has shown evidence that has been monitoring the effectiveness of the OHS plan to deal with the risk of OHS in people, for example as follows:

- Based on the results of field visits in the Mill such as the area of the engine room and boiler, it is known that the fire extinguisher is in good condition and pressurized and equipped with a form of monitoring the investigation that is done every month.
- Based on the simulation results of the hydrant in the kernel area, it is known that the hydrant can function normally.
- Based on the results of interviews with workers in the Engine room and St. Boiler, it is known that the company has carried out a Health check. The company can show recordings of health checks to Mill employees, for example the audiometric examination in September 2021 by the Regional technical implementing unit for Occupational Health and Safety at the Manpower and Transmigration Office West Sumatra Province to 17 workers. Based on the results of the examination, it was found that 4 people had high-frequency hearing loss, which was shown by evidence of follow-up by mutating the workplace of the worker concerned. In addition, the company also has the opportunity to carry out follow-up actions by conducting re-examination of workers with health problems. **(OFI)**
- The company can show a letter from the Regional technical implementing unit for Occupational Health and Safety at

- the Manpower and Transmigration Office West Sumatra Province No. 564/118/UPTD.K3/2021 in September 2021 regarding notification of the postponement of employee spirometry examinations due to restrictions due to covid-19.
- Letter No. 067/AAI-POM/VII/2021 dated July 2, 2021 regarding the Application for Extension of the Electrician's OHS License to the Director General of Manpower Development and Supervision Up to the Director of Supervision of OHS Norms, received by the Manpower and Transmigration Office of West Sumatra Province on July 2, 2021.
 - Based on the results of interviews with the fertilization team, it is known that the company has provided sanitation facilities for workers to clean themselves, store and wash the PPE used, but there are still workers who bring PPE home after work, this is an opportunity for improvement for the company by ensuring that the washing and storing procedures for PPE for the fertilization team are followed all workers. **(OFI)**
 - Based on the results of field visits and interviews with harvest workers, it is known that workers have been given PPE in the form of boots, helmets, and goggles, this is in accordance with the HIRAC document that has been stipulated. For PPE in the form of glasses, workers are not used because it condenses and interferes with vision, so this is an opportunity for the company to ensure that all PPE is used in accordance with the HIRAC that has been set. **(OFI)**
 - The company has the opportunity to ensure that waterways in the area for washing used fertilizer sacks do not affect OHS and environmental aspects. **(OFI)**

Status: Comply

3.7

All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.

3.7.1, 3.7.2.

The company shows the Training Program for each unit in 2021 that cover all aspects of the P&C RSPO. The training also covers parties who need training such as staff, workers, smallholders and contractors. As for sustainability team and Head of administrative are responsible for the development of the training program scheduling and implementation of training. The training program document informs type of training, plan / timetable and attendance. The 2021 training programs such as:

- Fire training
- First aid training
- Hazardous Waste Handling Training
- OHS training / socialization
- Pest control training
- Training on the use of fire extinguisher
- Weighbridge SOP training
- Training/socialization of boiler SOP, power house and WTP
- And others.

The company already has training records, such as :

- Minutes of OHS policy socialization, use of PPE on 10 June 2021
- Minutes of OHS committee socialization, work directions, socialization of human rights policies, sexual harassment, etc on 1 July 2021.
- Minutes of OHS socialization, submission of complaints and submission of PPE replacement on February 1, 2021
- SCCS training dated February 10, 2021.
- Socialization of company policy on 7 July 2021.
- Recorded socialization of HIRAC and MSDS to PT Laras Internusa foreman on 26 June 2021.
- Record of socialization on MSDS and chemical handling to all PT Laras Internusa upkeep employees on July 7, 2021

The training recordings shown to the auditor team include minutes of events, attendance and photos of the implementation of activities.

The results of interviews with labor union and workers such as warehouse officer, harvesters, fertilizer workers, grading officer, boiler officer stated that the company had provided training or socialization regarding work procedures for each worker in bahasa and understood by the workers. In addition, the results of interviews with boiler officers, also conveyed that the worker has been given in boiler officer training. As for the training program which involve contractors such as SOP socialization and training related to OHS. From the results of interviews with workers and contractors, known that workers

and contractors can explain the training that has been obtained such as work procedures and OHS implementation.

3.7.3

The company showed a training record related to understanding the SCCS procedure on February 10, 2021. The training activity discussed the implementation of the mass balance supply chain starting from product receipt to record keeping and reporting. The training activities were attended by personnel who are directly in charge related to supply chain implementation, such as weighing operators, security, QA and also factory staff.

The auditor conducted interviews with 2 weighing operators and also security, from the results of the interviews, these personnel were able to explain and simulate the implementation of the SCCS supply chain according to company procedures, such as separating certificated and non-certified products, keeping records of sales of certified products and reporting if there are errors, in data entry.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

Based on evidence from field observations, reviews of records of FFB receipts and also interviews with related parties, the company accepts FFB from sources that have been RSPO-certified and not. So, the company implements the MB (mass balance) system.

3.8.3

Estimates of CPO and PK produced by Andalas Agro Industri POM obtained from the projection based on actual data of 12 months before audit activities, here's the detail:

Product	Last Year Projected Certified Volume (Ton) (06 December 2020 to 05 December 2021)	Realization from October 2020 until September 2021 (Ton)	Projection certified volume
FFB	148,200	141,541.86	143,000
CPO	32,600	28,897.41	30,000
PK	7,400	6,067.01	6,500

3.8.4

Andalas Agro Industri POM has meet the requirement regarding to the reporting of its supply chain, as it has been registered as RSPO member and on RSPO IT Platform:

License ID	CB95752
Member Name	TSH Resources BHD – Andalas Agro Industri POM, PT AAI
Member ID	RSPO_PO1000004340
RSPO Membership Number	1-0173-14-000-00 (TSH Resources Berhad)

3.8.5

The company has procedures related to supply chain implementation in the Standard Operating Procedures for Supply Chain – Mass Balance (Doc. No. ST-SOP19-03, Revision 03 dated October 4, 2021). The document informs about the SCCS supply chain system, including:

- Supply chain model implementation procedures (IP, SG or MB).
- Recording of shipments and receipts of products.
- Roles and responsibilities of each personnel.
- Explanation of product information (Name of seller/buyer, date of loading, supply chain model, unique identification number, number of products and also product description).
- SCCS training for all related staff which is conducted annually.
- Minimum document retention period of 2 years.
- The procedure also requires that all use of RSPO trademarks and claims must comply with RSPO rules on

- marketing communications and claims requirements.
- The use of palm trace by the Department of Sustainability in the process of announcement of certified product shipments.
- Regarding the sale of products through other schemes or conventionally, they must be removed from the RSPO IT facility.
- SCCS internal audit is conducted once a year by the Sustainability Department.
- In the MB supply chain model, the input and output quantities of RSPO palm oil products are balanced in a fixed inventory period not exceeding 3 months.
- Mechanism for handling complaints and product review management.

The company's procedures have referred to the latest RSPO provisions, namely the RSPO Supply Chain Certification System revised 1st February 2020.

3.8.6

Regarding the internal audit, the mechanism is also stated in the Standard Operational Procedures for Supply Chain – Time Balance (Doc. No. ST-SOP19-03, Revision 03 dated October 4, 2021). Where, internal audits related to the implementation of SCCS are carried out once a year by the sustainability department. Internal audit addresses all audit findings and non-conformities related to SCCS. A summary of the audit results should be submitted for management review. As evidence that the SCCS audit report is the basis for discussion in the management review, the company shows a record of management review activities carried out on January 11, 2021, where one of the points discussed is the results of the internal audit sustainability.

The company shows a recording of the audit carried out on May 25, 2021 in the SCCS Audit Report 2021 document. The document informs that there are 3 findings related to SCCS, namely regarding archiving of SCCS documents that are not appropriate and Mass Balance data for the last 12 months.

3.8.7

Andalas Agro Industri POM received FFB from certified and non-certified RSPO source, here's the detail:

Month	FFB Certified (MT)	FFB Non-Certified (MT)
October 2020	9,424.13	1,184.13
November 2020	8,561.38	957.79
December 2020	9,302.44	1,028.81
January 2021	10,598.64	1,150.38
February 2021	9,891.02	1,102.93
March 2021	14,162.30	1,458.21
April 2021	14,866.09	1,519.94
May 2021	11,239.10	905.65
June 2021	14,909.56	1,564.89
July 2021	14,870.79	1,520.07
August 2021	12,547.72	1,508.04
September 2021	11,168.69	1,386.33

The auditor has verified FFB received records over the last 12 months, the total FFB certified received was 141,541.86 MT and non-certified 15,287.17 MT.

Besides that, the company also has a procedure for receiving and inspecting/sorting FFB listed in the FFB Grading procedure with document number WI-GD-01 which contains, among other things, regulating the treatment of fruit from outside/locally and fruit from the primary estate. The procedure for fruit from outside/local is carried out by taking into account the quality of the fruit: unripe, fruit less than 5 kg (small bunches), long stalk (long stalk), rotten/sick (rotten), empty bunches (empty bunch), content water, dirt, overnight (fruit yesterday) and loose fruit. For FFB with raw criteria, small bunches, rotten and empty bunch are collected to be weighed out. As for the fruit from the primary estate, grading

was done by taking a sample of 100 FFB, while the criteria observed included unripe fruit, empty fruit, ripe fruit, ripe fruit and rotten fruit. The procedure also stipulates that the company does not accept fruit from illegal production, such as theft, looting, or plantations in state forest areas.

3.8.8

The company shows sales records of certified products, one of which is the recording of CSPK shipments made on April 3, 2021 to PT Usaha Inti Padang. The certified product delivery record is accompanied by several information, such as:

- Buyer Name : PT Usaha Inti Padang
- Delivery date : April 3, 2021
- Contract number and date : 1601000107 – 22 March 2021
- Weighing Ticket Number : 146
- DO Number : 013/DO-PK/AAI/UIP/III/21
- Total Delivery : 5,540 kg
- Quality of goods: Moist 7.61 & Dirt 8.35
- Vehicle Number : BA 8824 QQ
- Seal Number: 000625 to 0000632

Based on the explanation of the weighing operator at the factory, the sales records are kept for at least 2 years.

3.8.9; 3.8.10; 3.8.11

The company does not carry out outsourcing activities for the entire production process of certified products. The transportation of certified products is carried out directly by the buyer, for example the transportation of CSPK on March 25, 2021 by PT Usaha Inti Padang.

3.8.12

Andalas Agro Industri Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as presented in the Table bellows:

Crude Palm Oil

Period	CPO Production (MT)		CPO Delivery (MT)		
	Certified	Non-Certified	Certified	ISCC	Non-Cert
Opening Stock	643.25	-	-	-	-
October 2020	1,998.95	251.17	-	-	2,220.88
November 2020	1,786.89	199.91	-	-	2,249.51
December 2020	1,937.85	214.32	-	-	2,026.02
January 2021	2,227.27	241.75	-	-	2,254.29
February 2021	2,097.68	233.91	-	-	2,705.98
March 2021	2,865.89	295.08	-	-	2,363.36
April 2021	2,981.17	304.80	-	-	3,058.90
May 2021	2,203.86	177.59	-	-	1,647.35
June 2021	2,940.79	308.66	-	-	3,467.89
July 2021	2,917.13	298.18	-	-	3,378.45
August 2021	2,573.95	309.35	-	-	3,708.10
September 2021	2,365.98	293.68	-	-	3,030.96
Total	29,540.66	3,128.4	-	-	28,983.29

*Note: License period is from 6 March 2021 – 5 March 2022. There is no CSPO sold from license period. (there's remaining stock of CSPO on the end of September 2020 as amount as 643.25 ton)

Palm Kernel

Period	PK Production (MT)		PK Delivery (MT)		
	Certified	Non-Certified	Certified	ISCC	Non-Cert
October 2020	410.17	51.54	-	-	551.54
November 2020	357.78	40.03	-	-	340.39
December 2020	379.44	41.96	-	-	421.78
January 2021	433.08	47.01	-	-	501.98
February 2021	412.28	45.97	-	-	474.51
March 2021	579.13	59.63	124.00	-	326.61
April 2021	612.45	62.62	814.02	-	0.75
May 2021	465.30	37.49	61.98	-	373.14
June 2021	635.34	66.68	-	-	578.51
July 2021	695.41	71.08	616.47	-	348.35
August 2021	604.87	72.70	651.76	-	0.00
September 2021	481.76	59.80	486.88	-	0.00
Total	6,067.01	656.51	2,755.11	-	3,261.05

*Note: License period is from 6 March 2021 – 5 March 2022. CSPK delivery transaction has been informed on RSPO IT Platform as amount as 2,140 ton (during audit process).

3.8.13 & 3.8.14

Regarding the determination of the conversion factor, the company uses the calculation of the total production of certified products divided by all FFB entering the factory. Regarding the determination of the production value of certified products, the company refers to the Ullage & Dipping Work Instruction Document (No. WI-LB-06, dated March 2, 2017), where the process of measuring product height is based on the empty space in the storage tank using sounding tape and plumb bob.

3.8.15

The company implemented MB module.

3.8.16

The company announced purchase transactions through the Palm trace platform during the certificate period, with details as follows (until October 6, 2021):

- CSPK physical sales of 2,140 tons
- CSPO credit sales of 18,818 tons

Until now, the company has not physically sold CSPO, this is based on a review of sales records of certified products for the last 12 months and also interviews with weigh operators.

The company has also announced sales transactions for certified products for no more than 3 months on the palm trace platform, for example the recording of CSPK shipments on April 3, 2021 which was announced on the palm trace system on May 27, 2021.

3.8.17

Based on management representative interview and document review, the mill not use trademark on its sales activities and communication.

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, 4.1.2

The results of the interview with management known that there was no change in company policy.

The company have Policy of Human Rights and Business Ethics (No. ST-POL09-03 Rev 03 dated January 2018). The policy explained the protection of human rights, and committed to removing human rights violations. In the clause 13 said that it is not allowed to use mercenaries or paramilitaries as security forces in operational areas company or subsidiary of TSH Resources Berhad. The company has also shown a recording of the socialization of company policies including the human rights policy on 7 July 2021.

Based on interview with stakeholder such as government agency, community around, labor union, and workers known that there is no indication of human rights violation. Based on field visit also known that the company does not use mercenaries and paramilitaries in its operations.

Status: Comply

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; 4.2.2, 4.2.3

The company has the following procedures :

- SOP for land disputes No. PMA-SOP16-01 document issued March 24 2018, the SOP explains that if there are claims and land claims from any party, they will be completely resolved, the owner's legality check will be carried out, negotiations, deliberation efforts and measurements are carried out, and mapping together with affected parties. The SOP also explains related to demand verification and deliberation/negotiation, settlement by deliberation and negotiations involving the village head/sub-district head and signing of agreements.
- External conflict resolution SOP no. ST-SOP21-00 Rev 01 : 00 date : February 2021 which regulates conflict resolution mechanisms from conflict identification, conflict verification, conflict analysis, conflict priority, conflict management which includes negotiation, mediation, judicial arbitration, capacity development - a reference for dispute resolution in the future, evaluation (The final result is accepted by the company, the final result is accepted by the disputing parties, the final result is recognized by the local government and the final result cannot be contested by other parties)
- SOP for Requesting Information and External Communication No. ST-SOP07-05 revision 05 dated 18 February 2021. In the procedure, explained about External Communication and Complaints. In terms of submitting a complaint, it can be done in writing or submitted through the company's website. In the procedure it has also been explained about the Whistle blowing channel. The procedure also explains that for parties who have literacy problems (problem such as the ability to write, read, speak or listen), the company provides the opportunity to be accompanied by other parties.

In the SOP for Requesting Information and External Communication, explained that responses that have been discussed with the management of the plantation/mill must be submitted to stakeholders within 20 working days from the date of request/complaint. Community Development is department or person in charge of communication and consultation, including the dissemination of company's procedures and policies.

Based on the verification of the Complaints document for plantations and mills, it was found that there were only employee complaints and no external complaints. The company has responded to internal complaints, for example:

- Complaints regarding housing and electricity which were submitted on 29 December 2020 and have been responded to on 29 December 2020.
- Complaint regarding housing dated 13 September 2021 and has been fixed on 15 September 2021.

The results of interviews with community representatives revealed that there were no complaints from the community. Based on the results of interviews with internal stakeholders, known that the complaints submitted were complaints related to housing / worker facilities. Complaints about housing/workers' facilities are always responded and followed up by the company.

Regarding the follow-up to news on the internet (related to demands for plasma development), the company has shown follow-up on plasma development including meetings with stakeholders. The last meeting was held on October 4, 2021.

During the meeting, the company and the Sawit Mandiangin Langgam Kinali Sejahtera Cooperative discussed the commitment to continue plasma development. The progress of plasma development has been shown and has become OFI in indicator 2.1.1.

4.2.4

The company has the following procedures :

- External conflict resolution SOP no. ST-SOP21-00 Rev 01 : 00 date : February 2021. The procedure explained that in conflict management, the complainant and the company are free to access legal and technical advice from an independent third party, the ability of the complainant to choose people or groups who can provide support and/or act as observers as well as the option to engage a third party mediator.
- SOP for Handling Worker Complaints No. HR-SOP23-03 dated March 20, 2020. The procedure explained that complaints are submitted to the Labor Union in each unit. If a labor union has not been formed, complaints can be directly submitted in writing to the workers' superiors.

The results of interviews with workers and labor unions show that workers understand the grievance mechanism. Complaints can also be submitted to a union or bipartite representative. From the results of the interview, it was stated that workers' complaints were usually related to complaints about housing improvements and had been followed up by the company.

The results of interviews with contractors and village representatives indicated that the village and contractors had understood the grievance mechanism. From the results of the interview, it was found that there were no complaints from external parties.

Status: Comply

4.3

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

4.3.1

The results of interviews with management, conveyed that the CSR program was prepared based on the participation of the surrounding community. The company shows examples of Social Visit recordings on 5 January 2021 with participant representative from representatives of surrounding community such as Head of Jorong Sidodadi, Head of Jorong Bunut, and Head of Jorong Padang Candu.

From the results of meetings with the community, a CSR program was prepared in 2020/2021. For the CSR program in 2020/2021, the company arranged a CSR program in the fields of social, culture, religion, education, and health. The company has also shown the CSR realization record to the communities. For example:

1. Donation of sand and stone materials for community road access on 17 October 2020
2. Fund assistance for the construction of a public cemetery fence in Jorong Padang Candu on 9 November 2020
3. Fund assistance for the construction of a futsal field in Jorong Sidodadi on 10 December 2020.
4. Assistance with a package of stationery and educational tools at the Air Batu Village Special School on September 22, 2020
5. Social assistance to Regional Disaster Management Agency in Pasaman Barat Regency for handling the Covid-19 outbreak on 16 April 2020
6. Assistance in maintaining the river environment in Air Riau and Kinali on 15 January 2021
7. Assistance in organizing Sidodadi *Musabaqah Tilawatil Quran* competition in Sidodadi in April 2021.
8. Assistance with basic food packages at Air Riau and Kinali on 25 August 2021.

Based on results of interviews with Jorong Padang Candu and Nagari Kinali representative, it is known that communication between company and surrounding community is good. From the interview results, it was conveyed that the company had provided CSR assistance to the surrounding community in accordance with the identification needs.

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

During the surveillance-2 audit activity, there were no changes related to the land ownership documents owned by the company. legally the company owns 7,337,144 ha of land which consists of HGB and HGU (1,021.36 Ha exclude from this certification scope). Here are the details:

1. Decree of Agrarian Ministry, Head of BPN No.: 37/HGGU/BPN/94 on granted of HGU on behalf of PT Sangga Guna area of 7000 Ha on land located in Nagari Kinali, District of Kinali, Pasaman Barat Regency, valid until 31 December 2029, and certificate no.: 1 issued on 21 March 1995 valid until 2029. The HGU had been and registered under PT Laras Internusa on 12 March 2005, registration no.: 230/2005 and 137/2005.
2. Decree of BPN West Sumatra Regional Office No.: 1-540.1-23-2009 dated February 3, 2009 regarding the granting of HGU of PT Laras Internusa on land located in Nagari Kinali, District of Kinali, Pasaman Barat Regency, valid for 35 years, for an area of 136 ha. HGU Certificate No.: 20 valid until February 16, 2044 for the area of 136 ha.
3. Decree of BPN Head of West Sumatra Regional Office no.: 2-540.1-23-2009 concern on the granting of HGU under PT Laras Internusa on land located in Nagari Kinali, Kinali District, Pasaman Barat Regency, and West Sumatra Province, dated on 3 February 2009. HGU Certificate no.: 19 valid until February 16, 2044 (35 years), 173 Ha.
4. BPN Decree no. 1 / HGB / BPN / 2004 concern on granting of HGB under PT Andalas Agro Industri on land located in the Pasaman Barat Regency, West Sumatra province covering an area of 28,1437 ha dated January 8, 2004, valid 30 years. HGB certificate no. 4 ended September 24, 2034, issued date January 24, 2014 for an area of 281,437 m2 (28.1437 ha).

Both PT LIN (plantation) and PT AAI (POM) has owned the business permit, as following:

- Decree of West Pasaman Regent No.: 188.45/256/BUP-PASBAR/2007 dated 9 May 2007 on IUP-B under PT LIN for area of 4000 ha, located in Langgam Katiagan Village, Kinali District, West Pasaman Regency.
- Decree of West Pasaman Regent no.: 188.45/597/BUP-PASBAR/2008 concerning the granting of IUP-B to PT LIN for an area of 3000 Ha located in Langgam Katiagan Village, Kinali District, West Pasaman Regency, dated 30 December 2008
- Decree of West Pasaman Regent no.: 188.45/446/BUP-PASBAR/2010 concerning the granting of plantation permit to PT LIN covering an area of 136 ha located in Sidodadi Village, Kinali District, West Pasaman Regency, August 24, 2010
- Decree of West Pasaman Regent No.: 188.45/445/BUP-PASBAR/2010 concerning the granting of plantation permit to PT LIN for area of 173 Ha located in Sidodadi Village, Kinali District, West Pasaman Regency, August 24, 2010

Decree of West Pasaman Regent no.: 188.45 / 1225 / BUP-PASBAR / 2013 concerning the granting of IUP-P to PT Andalas Agro Industri, covering an area of 30 hectares and capacity of 60 tons / hour, on December 24, 2013

4.4.2, 4.4.3, 4.4.4, 4.4.5 & 4.4.6

There is no change from the previous assessment. The company has not carried out any new land clearing activities.

The company tries to provide examples of land acquisition activities that have followed FPIC procedures, for example there is evidence of settlement of a 68 Ha land dispute (location and boundaries cannot be shown by the claimer) by the community of Koja Ridwan CS. PT LIN has won based on the decision of the West Pasaman District Court no.: 14/Pdt.G/2017/PN.Psb dated 20 Nov 2017. Evidence of the FPIC settlement can be shown:

- Minutes of meeting involving the Head of Kinali District on 31 Jan 2001 (PT TSG)
- Letter of demand from the people of Koja dated 11 August 2017
- Minutes of the follow-up discussion meeting with PT LIN on August 8, 2017
- Minutes of the meeting on 11 August 2017 which stated that PT LIN asked for time to provide answers
- Letter from PT LIN to the claimer regarding the response dated August 18, 2017 which refuses to fulfill the claimer's request (land claimed in the HGU)
- PT LIN filed a lawsuit to the District Court on August 23, 2017 because the community blocked PT LIN's FFB and CPO access roads.
- On 20 November 2017 the court's decision stated that PT LIN had the rights to the land and declared peace between the two parties.

	Status: Comply	
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, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7 & 4.5.8		
There is no change from the previous assessment. The company has not carried out any new planting's activities.		
The company have a procedure to identify and assess any legal, customary and user rights (PMA-SOP16-01), apart from that, there is a compensation payment policy set out in Decree No. LIN-001 / LC / IX / 13 dated 12 September 2013, regarding the value of compensation for planting grown in HGU locations. The PT LIN decree stipulates the compensation for compensation based on classification according to the condition of the stands at the location to be compensated. The results of compensation documents verification and interview with communities are known that there is no indigenous rights or customary rights. There is no planting established on local people's land that have legal of land. All area of planting has been released to the company through compensation and landowners are given the freedom to release their land without coercion. Especially for areas within the scope of certification covering an area of 6,315.784 hectares, there are no ongoing disputes.		
	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, 4.6.2, 4.6.3 & 4.6.4		
There is no change from the previous assessment. The company has not carried out any new planting's activities.		
The Company has compiled SOP of Land Compensation, document is contained in the SOP for land disputes contained in land dispute no: document PMA-SOP16-01 issue date March 24, 2018, in the SOP it is explained that if there are land claims and claims from any party will be resolved completely, validity checks of the owner will be carried out, negotiations, deliberation efforts and carry out measurements and mapping jointly with the affected parties. The SOP also explains related to verification of demands and deliberation / negotiation, deliberative settlement and negotiations involving the village head / sub-district head, signing of an agreement, and if negotiations and deliberations are not successful, legal channels will be carried out. Decree No. LIN-001 / LC / IX / 13 dated 12 September 2013, regarding the value of compensation for planting grown in HGU locations. The PT LIN decree stipulates the compensation for compensation based on classification according to the condition of the stands at the location to be compensated. The compensation process for the certification scope was last carried out in 2006 and documented. The results of verification of compensation documents and interviews with the community show that the compensation process is carried out directly to the land owner and is given equal opportunity to both men and women, and land owners are given the freedom to release their land without coercion.		
	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, 4.7.2, 4.7.3		
There is no change from the previous assessment. The company has not carried out any new planting's activities.		
The company has a procedure for identifying people and / or community groups entitled to compensation which is presented in the PMA-SOP16-01 document issued March 24 2018 and Decree No. LIN-001 / LC / IX / 13 dated 12 September 2013, regarding the compensation value for planting planted in HGU locations. The procedure explains how		

to calculate and apply fair compensation, as well as compensation that FPIC must be implemented from the start of plantation and mill development. Companies that do not own new land and pay compensation or compensation payments in 2006.

The auditor conducted consultations with the surrounding villages, it was known that the community benefited from the company in the form of CSR activities. In addition, according to the previous explanation, the company also has a plasma program (indicator 2.2.1) which is currently in the process of replanting to meet the previously determined area. The plasma development has been signed by both parties without any discrimination issues.

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; 4.8.4; 4.8.3; 4.8.4

The Company has established a land conflict and dispute resolution mechanism in procedure No. PMA-SOP16-01 dated 24 March 2018 and ST-SOP21-00 April 2016.

Until the surveillance-2 audit activity was carried out, there were no disturbances or claims from outside parties related to the scope of the company's certification area. claim activities carried out in 2017 (indicator 4.4.2) have been completed and there is an amicable agreement between the two parties.

Status: Comply

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; 5.1.2; 5.1.3

Based on explanations from the cooperative and also the management, the company did not purchase FFB from sources that were not managed by the TSH group (parent company of PT Andalas Agro Industri and PT Laras Internusa). Determination of FFB prices for plasma cooperatives refers to the determination of FFB prices that have been determined periodically by the Plantation Office of West Sumatra Province.

Based on the results of consultations with the cooperative, there were no complaints related to FFB pricing.

5.1.4

The cooperative agreement with the company is represented by the chairman of the cooperative. The chairman of the cooperative is a traditional elder who has been selected and determined by the local community to represent the elder party.

5.1.5

There are no changes to the existing plasma development agreements.

The agreement of scheme smallholder (plasma) of Sawit Mandiangan Langgam Kinali Cooperative No. 01/LST/LIN/Plasma/IX/2012 dated 3 September 2012, and addendum No. 01/ADD/LIN/PLASMA/V/2016 dated 11 Mei 2016, has been made according to applicable law and has the time limit of one plantation period. Based on interview with plasma official, they understood the provisions of agreement, the contracts have been made fairly, transparently and legally. Payment of work has been done in a timely manner, in accordance with the provisions in the agreement.

5.1.6

Based on the results of the review of the cooperative's FFB purchase records in January and February 2021, the determination of the selling price was in accordance with the price determination set by the West Sumatra Plantation Service.

Based on the results of consultations with the cooperative, there were no complaints related to FFB pricing.

5.1.7

The company has carried out the latest weighing equipment calibration tests carried out by the relevant agencies in the following documents:

- Certificate of Testing Results (No. 510.2/014/SKHP/UML/III-2021) of PT Andalas Agro Industri by UPTD Metrology Legal, Industry, Trade, Cooperatives and SMEs Office of Pariaman City Government. The test date was carried out on March 19, 2021, where the test results were "Authenticated by TERA REGION 2021 which is valid until March 19, 2022.
- Certificate of Testing Results (No. 510.2/039/SKHP/UML/X-2020) PT Laras Internusa by UPTD Legal Metrology Department of Industry, Trade, Cooperatives and SMEs Pariaman City Government. The test date was carried out on October 9, 2020 where the test results were "Authenticated by TERA 2020 which is valid until October 9, 2021.

5.1.8

The Andalas mill also does not receive FFB from independent smallholders.

5.1.9

The grievance mechanism for smallholders has been set in the SOP of Handling of External Complaint. The procedures have set the resolve disputes effectively, timely manner (2 weeks), ensuring anonymity of complainants and whistle-blowers. Those procedures have been disseminated to plasma officials. Based on interview, there is no yet complaint submitted to the company.

Status: Comply

5.2

The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.

5.2.1

The certification unit supports the improvement of interested smallholders' level of livelihood and participation in the sustainable palm oil explained by the Cooperation Agreement for the development of smallholder plantations in the form plasma plantation. There is an agreement letter for associated smallholder (plasma) of Cooperative of Mandiangin Langgam Kinali Sejahtera (agreement No. 001/Ist/LIN/Plasma/IX/2012 dated 3 September 2012, covers 1,000 ha area).

5.2.2

The company shows programs to improve the level of livelihoods, including at least an increase in the ability to increase productivity, quality, and organization management that are explained in the work program of smallholder for period 2021

Besides, company has attached evidence that the certification unit provides training on handling pesticides to Scheme Smallholders in the following documents:

1. Minutes of Chemical Handling Socialization to Upkeep PT LIN employees to 62 participants on 7 July 2021 at Muster Morning.
2. Minutes of Socialization of Chemical Mixing, Chemical Handling and Hazardous and Toxic Waste Management to 8 employees of Upkeep PT LIN on 21 & 23 June 2021 at Chemical Mixing, Mixing Warehouse, Workshop, and Water Pump.
3. Minutes of socialization of procedure of spraying to 14 sprayers in Block D28 and 10 sprayers in Block G34 on 22 January 2021.

5.2.3

The support for legality FFB production for Cooperative of Mandiangin Langgam Kinali Sejahtera inform socialization about *sertifikat hak milik* (SHM) date 16 January 2020. Besides, company has shown evidence of cooperation with MLKS Cooperative which MLKS Cooperative provides land as indicated in the Agreement No. 77/SPK-LIN-B/CV.DCS/VIII/2020 which is valid from 23 August 2021 to 31 September 2021. The document contains land clearing work for Blocks D48, E47 and E48 in scheme smallholder.

5.2.4

Based on field observation and interview, there's only scheme smallholder on surrounding company operational area. All operational managed by PT Larasindo Internusa. The company has attached evidence that the certification unit provides training on handling pesticides to Scheme Smallholders in the following documents:

1. Minutes of Chemical Handling Socialization to Upkeep PT LIN employees to 62 participants on 7 July 2021 at Muster Morning.
2. Minutes of Socialization of Chemical Mixing, Chemical Handling and Hazardous and Toxic Waste Management to 8 employees of Upkeep PT LIN on 21 & 23 June 2021 at Chemical Mixing, Mixing Warehouse, Workshop, and Water Pump.
3. Minutes of socialization of procedure of spraying to 14 sprayers in Block D28 and 10 sprayers in Block G34 on 22 January 2021.

5.2.5

The company of certification regularly review and publicly report on the progress of the smallholder support programmed until 2021, based on public relationship department report in 2021.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1; 6.1.2

The company has an equal opportunity and discrimination policy with no. ST-POL03-02 revision 02 dated October 2015. In the policy it is stated that TSH Resources Berhad strictly prohibits acts of discrimination against anyone based on age, race, caste, nationality, religion, physical disability, gender, sexual orientation, organizational membership, affiliation political or social status.

Based on verification of labor register documents and interviews with labor unions, it is known that workers come from various ethnic groups such as Javanese, Minang, Batak, Nias and others. From the results of interviews with representatives of labor unions and workers, it is known that there is no indication of discrimination against workers.

The results of interviews with nearby villages also conveyed that there were no issues related to discrimination. The company has provided equal opportunities for the surrounding community to get a job. There is no indication of discrimination at the company.

6.1.3

The company has kept a track record of employees. For employee recruitment, the stages for recruitment are job application letters, CV, copies of identity cards, and supporting documents such as certificates, diplomas, transcripts and others. The company shows employee track record documents stored in each unit (factory and plantation).

The company has shown a record of the implementation of employment procedures, for example :

- Agreement No. 80/PKWTT/HRD/PT LIN A/II/2020 dated December 4, 2020 (probation) and letter of appointment based on letter No. 06/SK-Permanent/HRD-PT LIN A/III/2021 dated March 9, 2021 (appointment). Recruitment documentation has also been shown such as CV, job application, ID card, assessment results and the results of the employee's health examination.
- Agreement No. 33/PKWTT/HRD/PT LIN B/VI/2021 dated June 2021 (probation) and letter of appointment based on letter No. 35/SK-Permanent/HRD-PT LIN B/IX/2021 dated 20 September 2021 (appointment). Recruitment documentation has also been shown such as CV, job application, ID card, assessment results and the results of the employee's health examination.

The results of interviews with workers and labor unions revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers has already know about employment procedures such as termination, retirement or promotion. Based on that interview known that the company has provides

equal rights to employees in accordance with applicable laws and regulations.

6.1.4

The company does not carry out pregnancy testing for female workers except for workers dealing with chemicals. Based on the results of monitoring of pregnant women, interviews with female workers and gender committee were also conveyed that pregnancy testing was only carried out for female workers whose work was related to chemicals to avoid chemical exposure.

6.1.5

The company already has a gender committee to handle women's issues. The composition of the board of the gender committee consists of a chairman, secretary, vice chairman, treasurer, and members. The company showed the program and realization of the gender committee program, such as:

- Report on skills training on September 26, 2021
- Report on skills training on September 19, 2021
- Report on new mothers socialization on September 15, 2021

The results of interviews with female workers, it is known that workers already know about the existence of a gender committee and the function of the gender committee. The results of interviews with representatives of the gender committee and women workers, it was found that there were no complaints related to women's issues in the last 1 year.

6.1.6

The wages applied in the PT LIN – AAI POM are in accordance with the Decree of the Governor of Sumatera Barat Decree No. 562-600-2020 dated 31 October 2020 concerning Province minimum wage of Sumatera Barat Province in 2021 amounting to Rp. 2,484,041.

The results of verification of wages of workers (for example harvesting and maintenance workers), it was known that the company has given the same wage for the same scope of work. The results of interviews with workers such as harvest and maintenance workers stated that the company has given the same salary for the same scope of work.

Status: Comply

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; 6.2.2

The company has Company Regulations that regulate work requirements, including:

PT LIN

The Company Regulation of PT Laras Internusa has been ratified based on the Decree of the Head of the Manpower Office of Pasaman Barat Regency No. KEP.004/SK-PP/Disnaker/2021 dated 16 February 2021 regarding the Ratification of PT LIN Company Regulations.

PT AAI

The Company Regulation of PT Andalas Agro Industri has been ratified based on the Decree of the Head of the Manpower Office of Pasaman Barat Regency No. KEP.003/SK-PP/Disnaker/2021 dated 16 February 2021 concerning Ratification of PT AAI Company Regulations

The Company Regulations has explained about wages and work requirements, including:

- Chapter II on Employment Relations
- Chapter III on Working Time and Overtime
- Chapter IV on Employee Exemption from work
- Chapter V on Wages
- Chapter IX on Occupational Health and Safety.
- And others.

In addition, the company has also shown agreement for probation period and agreement for temporary worker (maintenance work). The agreement has explained several terms of work, rights and obligations of workers and others. For example :

- Agreement for probation period (harvest work) No. 33/PKWTT/HRD/PT LIN B/VI/2021 dated June 2021
- Agreement for temporary worker (maintenance work) No. 98/PKWT/HRD/PT.LIN A/VII/2021 dated 8 July 2021

The agreement has been signed by both parties. The agreement for temporary worker has also been submitted/recorded at the Manpower Office of Pasaman Barat Regency. The company has shown evidence of handover of the temporary worker agreement Report to the Manpower Office in October 2021. The results of interviews with labor unions and workers such as harvester, warehouse officer, grading officer conveyed that the company has given socialization related to company regulation to workers.

6.2.3

Based on document verification, field observation, interview with workers (harvesting workers, manuring workers, factory workers, etc) there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation. Based on interview with harvester and wage simulation, known that harvest workers' wages are based on their work (base/target). The team of auditors has simulated the calculation of wages for workers who work < 7 hours and workers who have worked for 7 hours but have not reached the base. For workers who work < 7 hours, they are paid according to the results of their work. For workers who have worked 7 hours but do not get a base/target, a top up of wages will be made. For example, the audit team has verified the wages of harvest workers with initial DL and SP in August 2021. Both workers have worked for 7 hours (foreman's note) but have not received a base/target. Related to this, the company has provided top up (additional wages).

The company needs to ensure the basis for calculating overtime for field (estate) workers in writing from the relevant agency (OFI).

The auditor team has also simulated the calculation of factory worker overtime, for example ID No. 00098. From the simulation results it is known that the overtime payment is in accordance with the applicable regulations. Interview with Labor Union and workers, said that wages paid are in accordance with applicable regulations. Based on that interview also known that deduction for workers such as BPJS deduction tax. Based on interview with contractor and verification of wages of contractor workers known that contractor workers have given minimum wages by contractor.

6.2.4

The results of field observations in housing areas and interviews with workers and labor unions show that the company has provided housing facilities and infrastructure and facilities that are decent/in good functioning condition to workers such as houses, clean water facilities, religious facilities, sports, school buses, ambulances and others. The water for household use comes from river water and drilled wells. Water for consumption (drinking) comes from drilled wells or refilled drinking water. For electricity: sourced from generator (PT LIN) and POM (PT AAI), to access the nearest school, it is about 30 minutes from the location of PT LIN and PT AAI. The company has a first aid post located at the plantation office of PT LIN as a place for storing first aid drugs/equipment and first handling accidents. While the nearest clinic can be reached with a distance of 10-15 minutes from the location of the estate.

6.2.5

The results of interviews with employees and labor unions, obtained information that the nearest market is 10-15 minutes from the residential location. From the interviews, it is also known that there are workers or residents of housing who sell basic needs. In addition, there are also sellers of basic needs who enter the housing area on a regular basis.

6.2.6

In terms of the application of wages, the company has paid wages in accordance with the minimum wage for the province of West Sumatra in 2021. The wages in 2021 are the same as in 2020, which is Rp. 2,484,041. The minimum wage determination has been based on a decent living standard prepared by the wage council.

In relation to DLW (Decent Living Wage), the company has tried to do Prevailing Wage calculations for each unit, which included samples of In-Kind Benefits, such as: Basic Wage, Housing Allowance, Transport Allowance, Housing and utilities such as water or electricity for home, food ration (rice), Medical facilities, and school for workers children.

6.2.7

From the results of the verification of the workforce list, verification of work agreement documents, field observation and interviews with stakeholders, it is known that all core work is carried out by permanent workers and probation period. As for jobs such as maintenance, apart from using permanent workers, the company also uses temporary workers. In addition, the company has also shown agreement for probation period and agreement for temporary worker (maintenance work). The agreement has explained several terms of work, rights and obligations of workers and others. For example :

- Agreement for probation period (harvest work) No. 33/PKWTT/HRD/PT LIN B/VI/2021 dated June 2021
- Agreement for temporary worker (maintenance work) No. 98/PKWT/HRD/PT.LIN A/VII/2021 dated 8 July 2021

The agreement has been signed by both parties. The agreement for temporary worker has also been submitted/recorded at the Manpower Office of Pasaman Barat Regency. The company has shown evidence of handover of the temporary worker agreement Report to the Manpower Office in October 2021.

Status: Comply

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; 6.3.2; 6.3.3

The company has a freedom of association policy with doc. No. ST-POL04-02 revision 02 dated October 2015 which states that TSH Resources Berhad recognizes the right of employees to freedom of association, and thus the company neither prohibits nor encourages employees to join labor unions.

As the implementation of the freedom of association policy, a labor union has been formed in the company, including:

- SPSI → Registration of SPSI to Manpower Office with registration number 09/SP/VIII/DSTK-TRANS/2009 dated 28 December 2009.
- SARBUKSI → SARBUKSI has been registered at the Pasaman Barat Regency Manpower Office with registration number 560/010/Disnaker/2021 dated 28 June 2021

The company shows the recordings of the Bipartite meetings which have also included union members, such as:

- Monthly meeting recording on September 13, 2021
- Monthly meeting recording on August 19, 2021
- Monthly meeting recording on 20 July 2021
- Monthly meeting recording on 28 May 2021.

The documentation shown consists of minutes, photos of implementation and attendance.

The results of interviews with workers and labor unions known that the company gives freedom to every worker to form a union. There is no coercion or intervention in the selection of union officers. Labor union officials are elected by deliberation by labor union members.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1; 6.4.2; 6.4.3; 6.4.4

The results of interviews with management, known that there is no change in policy.

The company showed a policy of strictly prohibiting the use of children in work with document number ST-POL07-02

attachment 7.1.1 signed by the Managing Director. The company is fully committed to eliminating the use of child labor in the work environment including contractors, volunteers or other forms in accordance with local laws and internationally within the TSH Group and its subsidiaries. The Company supports the protection of children from all the worst forms of work and encourages the development of children physically, mentally, emotionally, psychologically and socially through educational activities and awareness.

The company has disseminated the company's policies including the policy on the prohibition of the use of child labor on July 7, 2021. The documentation of the socialization is shown in the form of minutes, photos of implementation and attendance.

The company has also shown agreement with contractors that have explained the prohibition on employing children under 18 years of age, forced labor and workers from human trafficking, for example:

- Agreement No. 87/SPK-LIN.A/WHY/IX/2021 dated August 2, 2021 for loading and unloading of fertilizers.
- Agreement No. 94/SPK-LIN.A/CV.MB/IX/2021 dated 2 August 2021 for FFB transportation activities
- Agreement No. 93/SPK-LIN.A/CV.CS/IX/2021 dated 2 August 2021 for FFB transportation activities

The results of the verification of the labor list document, interviews with internal and external stakeholders, and field observations revealed that there was no indication of any workers under the age of 18. In addition, the results of field observations in the office, housing and operational areas of the company also known that there are planks for the prohibition of the use of child labor.

Status: Comply

6.5

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

6.5.1

The company has a sexual harassment policy doc. No. ST-POL05-02 revision02 dated October 2015 which states that TSH Resources Berhad is fully committed to maintaining a positive work atmosphere and free from acts of sexual harassment. The company has shown examples of evidence of socialization of sexual harassment policies to workers, for example:

- Socialization of company policy on February 9, 2021
- Socialization of company policy on 7 July 2021.

The results of interviews with workers, especially female workers, revealed that the company had provided socialization related to policies to prevent sexual harassment and violence. The company already has a gender committee to deal with women's issues or concerns. The results of interviews with representatives of the gender committee and women workers revealed that there were no cases of violence or sexual harassment in the last 1 year.

6.5.2

Policies related to reproductive rights are contained in the company regulations in article 25 which explains about maternity rest and article 26 which explains about menstrual rest. The results of interviews with workers, especially female workers, revealed that the company had provided socialization related to policies to protect reproductive rights. The results of interviews with representatives of the gender committee and female workers revealed that the company gave permission/maternity leave, menstrual leave and permission to breastfeed.

6.5.3

The results of interviews with representatives of the gender committee, obtained information that the company has identified the needs of new mothers, namely by granting permission to breastfeed and providing a schedule for *posyandu* / health checks for newborns including mothers. The company has also shown a sample letter of permission to leave early for breastfeed mother.

6.5.4

The company shows the procedure for handling employee complaints with No. HR-SOP23-03 dated March 20, 2020. The procedure also explains the company's commitment to maintaining the confidentiality of the reporter's identity. The results

of interviews with workers such as harvesters, sprayers and others, known that workers have understood the mechanism if there are complaints. The results of interviews with gender committee and interviews with female workers revealed that female workers have known the existence of gender committees as a forum that handles women's issues and there have been no issues related to women.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1; 6.6.2

The company has a Human Rights and Responsible Business policy no. ST-POL09-03 revision 03 dated January 2018 which is available in bahasa. In the policy explained about the prohibition of illegal labor, forced labor, overtime forced, or all forms of child labor.

The results of verification of the labor register documents, interviews with workers and labor unions known that all core work is carried out by permanent workers and probation period. As for jobs such as maintenance, apart from using permanent workers, the company also uses temporary workers.

In addition, the company has also shown agreement for probation period and agreement for temporary worker (maintenance work). The agreement has explained several terms of work, rights and obligations of workers and others. For example :

- Agreement for probation period (harvest work) No. 33/PKWTT/HRD/PT LIN B/VI/2021 dated June 2021
- Agreement for temporary worker (maintenance work) No. 98/PKWT/HRD/PT.LIN A/VII/2021 dated 8 July 2021

The agreement has been signed by both parties. The agreement for temporary worker has also been submitted/recorded at the Manpower Office of Pasaman Barat Regency. The company has shown evidence of handover of the temporary worker agreement Report to the Manpower Office in October 2021.

The results of interviews with labor unions and workers known that there were no issues / indications of forced labor or human trafficking. There are no migrant workers, all permanent workers, probation period and contract workers (temporary agreement) are recruited directly by company. All activities / job description of workers are in accordance with the letter of appointment / agreement with workers.

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

OHS Committee PT AAI:

Decree of the Manpower and Transmigration Office of West Sumatra Province No. 564/.../UPTD Wil II/2021 dated 16 September 2021, regarding the Changes in P2K3 PT Andalas Agro Industri. The decree is valid for 1 (one) year.

Decree of Appointment of OHS Expert

Secretary with name Syarial Efendi with Decree of Appointment of OHS Expert from the Indonesian Ministry of Manpower No. 5/15209/AS.02.04/XII/2020 December 22, 2020 and valid for 3 years.

OHS Committee Meeting:

Based on document review and interviews, it is known that the P2K3 organization has routinely conducted P2K3 meeting activities, for example the recording of the P2K3 meeting on 22 September 2021 in the PT AAI meeting room which was attended by 15 participants. In summary, the P2K3 meeting discussed the report on the results of checking the first aid kit, fire extinguisher tube, hydrant and firefighting infrastructure; updating P2K3 management; painting visitor lines in the factory area, installing OHS signboards, etc.

OHS Committee Report:

OHS Committee report for the Second Quarter of 2021 submitted to the West Pasaman Regency Manpower Office on August 6, 2021. In summary, the report informs the OHS program and its evaluation; inspection of firefighting facilities,

fire extinguishers, hydrants and first aid kits.

OHS Committee PT LIN:

Decree of the Manpower and Transmigration Office of West Sumatra Province No. 564/07/UPTD Wil II/2021 dated 21 July 2021 regarding Changes to PT Laras Internusa's P2K3. The decree is valid for (one) 1 year.

Decree of Appointment of OHS Expert

Secretary with name Dwi Wahyuni Yonanda with Decree of Appointment of OHS Expert from the Indonesian Ministry of Manpower No. 5/32492/AS.02.04/XII/2020 on December 7, 2020 and valid for 3 years.

OHS Committee Meetings:

There are recordings of P2K3 meetings held every month, for example on June 11, 2021, which was attended by 17 participants. In summary, the meeting discussed the face shield PPE that was blurry with the follow-up to replace PPE with new ones with evidence of damage other than that related to the case of the harvest teamwork accident.

OHS Committee Report:

PT LIN's OHS Committee Quarter II 2021 Report submitted to the Manpower and Transmigration Office of West Sumatra Province on July 10, 2021.

6.7.2

First Aid Officer:

The company can show a list of personnel who have received first aid training, for example as follows:

- Certificate No. 908/P3K/XII/13 December 2013's. Muhammad Jamaluddin
- Certificate No. 484/PK3-P3K/I/2018 dated January 15, 2018's. Bayu Nata Kusuma

Records of first aid training:

The company can show recordings of first aid training, for example first aid training to the foreman by a doctor which was conducted on 26 June 2021 in the Laras A meeting room, the activity was attended by 37 participants.

First aid box/bag

- The company can show the recording of the first aid kit monitoring carried out every month.
- Based on the results of field visits, for example to fertilizing and harvesting workers in Laras B, it was found that the foreman had brought the first aid bag and was able to show and explain the function of the contents of the first aid bag brought, the contents of the first aid bag are in complete condition and in accordance with applicable regulations.
- Based on the results of field visits in the St. Clarification of the Mill it is known that the first aid kit is in good condition and the contents of the first aid kit are complete and complies with applicable regulations.

Accident and Emergency Response Procedures:

- SOP for Fire Prevention and Control ST-SOP02-05
- SOP for fire extinguisher ST-SOP03-00
- SOP P2K3 ST-SOP05-00
- SOP for Occupational Health ST-SOP10-00
- SOP for work accidents ST-SOP 18-01

Accident Records:

Based on the results of the OHS Committee Report document review, it is known that accidents have been recorded, and are reported regularly.

6.7.3

Based on the results of field visits and document reviews, it was found that the company had provided PPE to workers in accordance with the results of the risk and risk control documents, the company also carried out PPE inspections which were carried out every day.

In addition, the company can also show proof of PPE to employees, for example by presenting PPE in the form of Dust Masks and Gloves to 25 workers until fertilizer on July 1, 2021.

Based on the results of field visits and interviews with Estate and Mill Worker, it is known that workers already know the procedures regarding the mechanism for replacing damaged PPE, and sanitation facilities have been provided for workers to clean themselves and are equipped with PPE storage areas.

6.7.4

The company can show evidence that all workers have been registered in the health and employment insurance program. For example, the company can show proof of payment of BPJS Health and Employment as follows:

- BPJS Employment LIN August 2021 totaled 854 workers.
- BPJS Health LIN A in August 2021 totaling 510 employees and 1002 dependents
- BPJS Health LIN B in August 2021 totaling 328 employees and 628 dependents.
- BPJS Health AAI in August 2021 totaling 285 (employees and dependents)
- BPJS Employment AAI in August 2021 totaling 99 workers

In addition, based on the results of field visits and interviews with workers at Mill and Estate, it is known that workers have received facilities in the form of BPJS Health and BPJS Employment and have received membership cards.

6.7.5

Companies can show work accident statistics for estates and mills, for example work accident records for August 2021 as follows:

PT Laras Internusa:
 Total Working Hours: 149,618
 Lost Day Work Accident: 4
 Lost Workdays: 14
 FR: 3.35
 SR: 11.73

PT Andalas Agro Industri:
 Total Working Hours: 19,956
 Lost Day Work Accident: 0
 Lost Workdays: 0
 FR: 0
 SR: 0

Status: Comply

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

The company has an integrated pest management procedure that explains how to control pests in biology, chemistry and manually. In addition, the company also has a Cultivation Guidebook which also explains related to Pest and Disease control.

As proof of the implementation of IPM, the company shows an assistant report document which also provides information regarding census records and pest control, for example the LIN A Estate Report for August 2021 as follows:

Leaf Pest Census:

There were 7 Blocks that were attacked with an average of more than 5 larvae per midrib and control was carried out on 20, 26 and 31 August 2021.

Rat Damage Census:

No attacks exceed critical threshold (5%)

Oryctes Damage Census:

- There are 5 blocks that require chemical control.
- There are 182 pheromone traps that have been installed with the result that 11 oryctes per trap are trapped

7.1.2

Based on the field visit, it was found that the company used beneficial plants in the form of *Turnera subulata* and *antigonon* planted on the roadside as biological control agents and installed the *tyto alba* bird's nest, which species are not invasive species according to the Minister of Environment and Forestry Regulation No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016 concerning Invasive Types.

7.1.3

Based on the review of pest control documents, it is known that the control is carried out manually, biologically and chemically. In addition, the company also has a Company policy related to "zero burning" is contained in the ST-POL08-02 Date October 2015 environmental policy document.

	Status: Comply	
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7.2

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

7.2.1

Justification of the usage of pesticides has been set in the policy on safety in using chemicals listed in the procedures for managing hazardous material and hazardous waste with (No. ST-SOP08-00), and weed, pests, and diseases control procedures with the (No. OPE-SOP05-13). In the procedures, explained about the justification like using the government-registered pesticides, using appropriate PPE, the disposal of chemical waste in accordance with the regulation.

The pesticides used by the company include the following:

- Fascinate, License number: RI. 01030120155299
- CBA-FIP, License number: RI. 01010120103791
- Prima Up, License number: RI.01030120031779
- Indodor, License number: RI. 01010120093446
- Cozeb 80 WP, License number: RI. 01020120031876
- Meta Prima, License number: RI. 01030120031897
- Captur 50EC, License number: RI. 01010120031874
- Centalon, License number: RI. 01030120103716
- Dippel, License number: RI. 01010120134857
- Feromonas, License number: RI. 01070120124459
- Centatrin, License number: RI. 01030120103717
- Racumin, License number: RI.102000025065
- Phosthene, License number: RI. 01010120124498
- Gallant, License number: RI. 01030120103836

7.2.2

The company already has a record of the use of pesticides, for example for the use of pesticides Brand: Fascinate with the active ingredient AMMONIUM GLUFOSINATE 150 G/L as follows:

Brand: Fascinate

Active Ingredients: AMMONIUM GLUFOSINATE 150 G/L
Concentration: 865 g/l
Usage: 1,868.80 L
Active Ingredients: 1,616,512 g
Application Area: 1,598.90 Ha
Active Ingredients/ Ha: 1,011.01 g
LD 50: 1730 mg/kg (oral); 593 mg/kg (dermal)
WHO Class: II

7.2.3

Based on the results of the document review and field visits, it is known that as part of the plan to reduce the use of pesticides, the company uses biological pest control including the use of beneficial plants and natural enemies of pests (tyto alba), in addition to using pesticides only if based on the results of the census it is found that there are pest attack that exceeds the economic threshold.

7.2.4

Based on the results of the study of documents and interviews, it is known that the company does not use pesticides for prophylactic purposes, the use of pesticides is carried out if based on the results of the census, pest attacks are found that exceed the economic threshold.

7.2.5

Based on the results of the study of the list of pesticide use documents, it is known that there is no use of pesticides listed on the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat. This is consistent with the results of field visits at chemical warehouses and interviews with workers.

7.2.6

To ensure workers' understanding regarding pesticide handling, the company conducts regular training as evidenced by training records related to pesticide handling, for example as follows:

- Record of socialization of HIRAC and MSDS to PT Laras Internusa foreman on 26 June 2021 which was attended by 32 participants.
- Recorded socialization of MSDS and chemical handling to all upkeep employees of PT Laras Internusa on July 7, 2021, which was attended by 62 participants.

7.2.7

Based on the results of field visits at the chemical storage warehouse, it is known that the chemical storage area has been equipped with ventilation, adequate lighting, MSDS, OHS hazard symbols and emergency response infrastructure.

7.2.8

The Company established procedure for Toxic and Hazardous waste handling including ex agrochemicals management listed on ST-SOP12-00 revision 00 on October 2014. These procedures stated that all ex-chemicals containers were kept on temporary hazardous storage at mill/estates.

The company has a permit for hazardous and toxic waste storage issued by decree of Pasaman Barat regency No 503/03/DPMPSTSP/XI-2019 dated 30 November 2018 valid 5 years (PT LIN), meanwhile the permit for hazardous and toxic waste storage (PT AAI) issued by decree of Pasaman Barat regency No 503/05/IPLB3/DPMPSTSP/X-2019 dated 07 October 2019 valid 5 years.

In addition, the company has attached the transportation of hazardous and toxic waste to third party. For example, hazardous and toxic waste of contaminated container has been transported on 16 July 2021 and 10 September 2021 with Manifest No. UX00041003 and No. UX 00043606 as much as 90 Kg and 152 Kg by PT Biuteknika Bina Prima.

7.2.9

Based on document review, field observation, as well as stakeholder consultation, also known that the company never

been applied pesticides aerially.

7.2.10

The company can show a recording of a medical examination carried out by a health examiner who has received training on Healthcare Development and Certification on 21 – 27 January 2018 with No. certificate 14858/PJU/Ser.Hiperkes/1/2018 an dr Widodo.

Based on the MCU conclusion document dated July 1, 2021 on the results of the Health Examination held on June 18, 2021, it is known that there are workers who get abnormal results, for example, for workers with the initials RW, the SGOT result is increased and it is recommended "Avoid heavy work, avoid contact with poisons and fertilizers and evaluate the SGOT examination in one month, consult an internal medicine specialist and practice a healthy lifestyle and follow the 3M Health protocol". related to this, the company shows the transfer letter of the worker concerned to the Manual Work section.

7.2.11

The company has a Reproductive Rights Policy (ST-POL06-02 October 2015) explaining not to allow pregnant employees to do work for handling chemicals and providing temporary work to pregnant and lactating women.

Based on the results of interviews with female workers in fertilization activities, it is known that workers are aware of the prohibition of female workers who are breastfeeding and pregnant working with chemicals, the worker explained that previously there were colleagues who gave birth were transferred to nursing jobs until their children did not breastfeed.

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 the waste sources at PT AAI & PT LIN include, used machine, boiler dust, decanter solid, EFB, fibre, shell, used tires, scrap metal, used filters, domestic waste, used rags, used batteries, electrical waste, Used pesticide packaging, liquid waste and others.

The company shows the Pollution plan for PT AAI & LIN updated on 2020 which informs management issues, targets, activities, documents, PIC and frequency with details:

- Annual pesticide reduction.
- Reduction of nitrogen fertilizer once every 1 year.
- Monitoring the use of fuel and regulating vehicles in Estate and mill every 3 months
- Inventory of fuel usage every 1 month.
- Program for planting forest principal in the company area every 1 year.
- Arrangement of collection of organic & inorganic waste in Estate and Mill.
- Manage POME every 1 month.
- Monitoring the management of domestic wastewater every 1 year.
- Monitoring carbon release compared to carbene absorption in companies every 6 months.

The Company established procedure for Toxic and Hazardous waste handling including ex agrochemicals management listed on ST-SOP12-00 revision 00 on October 2014. These procedures stated that all ex-chemicals containers were kept on temporary hazardous storage at mill/estates.

Based on the results of interviews with workers, the company has provided domestic trash bins in employee housing. Based on field visits to Hazardous and Toxic Waste Storage, the company has stored hazardous and toxic waste according to its type and characteristic. Hazardous and Toxic Waste Storage is also equipped with emergency response facilities such as fire extinguishers, first aid kits, alarms, and emergency showers.

7.3.2

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Domestic waste: based on field observation, the company has collected domestic waste periodically and dump it to the landfill and it has known that location of landfill is far away from waterways and the housing area. Based on interview with house owner in housing area in Block E23, it is known that the company has been transported domestic waste every week to landfill.
- Empty fruit bunch is processed on Empty fruit bunch press station before burned on incinerator. The company have 2 incinerators, the emission generated by incinerator has been tested every semester, the last testing date Semester 1 2021, the result still accordance with government standard Minister of Environment Decree Number 7 in 2007 appendix 1 except opacity parameter, therefore the company has managing by way increase the height of the chimney. The empty fruit bunch is burned is 70 percent the rest used as fertilizer in the estate.
- Shell and fiber 70 percent are reused for engine fuel of boiler. It reduces the carbon emission from the combustion of fossil fuel.
- POME disposal to river accordance permit by decree of Pasaman Barat regency No 503/04/DPMPTSP/II-2019 dated 20 February 2019 valid 5 years. Based on field visit at outlet POME disposal WWTP pond number 12, there is a flowmeter for calculate the flow of the POME.

Based on the results of interviews with workers, the company has provided domestic trash bins in employee housing. Based on results of interview with HSE Department representative, the company has done domestic waste management by sorting waste between organic and inorganic and stored it into landfill. Based on field visits to Hazardous and Toxic Waste Storage, the company has stored hazardous and toxic waste according to its type and characteristic. Hazardous and Toxic Waste Storage is also equipped with emergency response facilities such as fire extinguishers, first aid kits, alarms, and emergency showers.

The company has attached a document in the form of recording hazardous and toxic waste in the Hazardous and Toxic Waste Balance every month. For example, the Hazardous and Toxic Waste Balance records until 1 October 2021 shows that the is 49.5 tons of used oil stored in Hazardous and Toxic Waste Storage.

In addition, the company has attached the transportation of hazardous and toxic waste to third party. For example, hazardous and toxic waste has been transported on 23 June 2021 (PT AAI) and 10 September 2021 (PT LIN) including hazardous and toxic contaminated waste, used rags, used oil, used battery, and used filter.

7.3.3

Field observation on housing complex Laras Estate found that companies managed settlements/housing domestic waste by provide landfill on each afdeling and sort the organic/an-organic waste, no open fire for waste disposal.

	Status: Comply	
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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 company has had best practices mechanism in maintain and improve long term soil fertility, set in SOP of Manuring (No. OPE-SOP09-10). This procedures set bunch of strategy to maintain and improve long term fertility, by combining efficient and measurable in-organic fertilization, take into account the oil palm age and soil nutrient properties by conducting leaf and soil sampling. The efficient and non excessive inorganic fertilization are critical to maintain soil structure and texture, combined with manuring by EFB mulching application. The manuring conducted especially in land with low nutrient properties, to improve soil structure and texture, microbiological properties, as well as to minimize in-organic fertilization if possible.

7.4.2

The company can show the results of leaf and soil analysis, including the following:

Leaf Analysis

- Results of Analysis No. 007/RDL-EXT/L/V/21 dated May 21, 2021 on the results of the analysis of 27 leaf samples. The parameters analyzed include: N; P; K; Mg; Ca; B; Cu; Zn
- Results of Analysis No. 008/RDL-EXT/L/V/21 dated May 25, 2021 on the results of the analysis of 35 leaf samples. The parameters analyzed include: N; P; K; Mg; Ca; B; Cu; Zn
- Results of Analysis No. 015/RDL-EXT/L/VI/21 dated June 24, 2021 on the results of the analysis of 35 leaf samples. The parameters analyzed include: N; P; K; Mg; Ca; B; Cu; Zn
- Results of Analysis No. 021/RDL-EXT/L/VII/21 dated July 26, 2021 on the results of the analysis of 38 leaf samples. The parameters analyzed include: N; P; K; Mg; Ca; B; Cu; Zn

Soil Analysis

Results of Analysis No. 003/RDL-EXT/S/II/21 dated February 23, 2021 on the results of the analysis of 28 soil samples. The parameters analyzed include: Particle Size; pH; H₂O; Total N; C-Organic; LOI; P Total; PBray II; CEC; Exc. K; Ca; Mg; Exch. Al&H

7.4.3

Based on the results of the document review and field visits, it was found that the company applied bunch ash, and the results of the pruning of the fronds were arranged in the stacking area. In addition, in the replanting area, the results of the main enumeration are also used as an alternative to natural nutrients.

7.4.4

During the audit activity the company can show fertilization monitoring that explains the type of fertilizer used, application dosage, application tonnage, and fertilizer use/tons FFB. The fertilizer used in 2021 is Dolomite, MOP, Urea, Rock Phosphate, NPK, dan HGF Borate.

	Status: Comply	
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7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The company has had the topography map scale 1: 75,000 based on Soil Survey Analysis of 2015 by Param Agricultural Soil Survey Sdn. Bhd. Based on the map, as well as field observation, the entirely area shown as flat. However, identified peat soil as fragile soil amount of 6,423 ha, where mineral soil amount of 886 ha in entire soil survey scope.

7.5.2; 7.5.3

There is no slope land in company's operational area.

	Status: Comply	
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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; 7.6.2; 7.6.3

Based on interview with the management, document review and field observation, known that the company did not conduct any new development area.

	Status: Comply	
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7.7

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

7.7.1

The company has had peat area. However, the development has conducted before 15 November 2018.

7.7.2

Peat areas within the managed area has been inventoried as well as provided by a map. The inventory has been reported to RSPO Secretariat on 2 October 2020, stated the planted area on peat amount of 5,658.49 ha, peat utilize for building or infrastructure amount of 617.69 ha, and as conservation area amount of 182.07 ha.

7.7.3

Peat land subsidence in the operational area has been monitored by installing peat subsidence stakes, then monitored and documented. The system has been set in the SOP of Peat Land Subsidence (No. ST-SOP15-01), which explains how to measure the decrease in peat soil that carried out every month, the technique of installing peat sticks, sampling, and technical measurements and subsidence observations. In the procedure it was explained that peat soil was said to be damaged if the cumulative decrease in peat surface was >35 cm / 5 years.

Based on a field visit to the subsidence stake in block C14, it is known that the subsidence pole was installed in 2019 and measurements were taken every 1 month, until the last measurement was carried out on September 8, 2021, the peatland subsidence was 5.8 cm.

7.7.4

The system in water management and land cover has been set in the SOP of Water Management (No. OPE-SOP14-03) dated 6 January 2015 which describes the measurement and monitoring of water level, silt pit, implementation, and flood mitigation strategies. Field observation has been conducted to verify the implementation such as weirs, water level meter in drains, and piezometer to measure water table.

Based on the results of field visits to peg the water level of the drainage channel, for example in Laras A block C12, it is known that the water level is in green, which is between 50 – 70 cm. To carry out water level management, the company has provided a stop bund.

7.7.5

The company conducted a drainability assessment for the first time in 2018, based on the results of the drainability study in November 2018 it was found that water levels in PT. LIN are relatively stable and do not undergo drastic drops impacting the peat ecosystem. Water management is efficient irrespective of rainfall fluctuation. The water table is effectively management minimizing water outflow from the PT. LIN peat system thus, any form of replanting will not impact the water levels drastically – maintaining peat integrity. To complete the drainability assessment in 2018, the company conducted a drainability assessment again in 2019 based on the summary and conclusion, stated that the peat dome is at the height of 4 to 12 m from sea level, where the main outlet height is 1.5 m from sea level, the distance to the coast about 5 km, therefore, it is unlikely affected by flooding to the Estate. The suitability likely suitable for next two generations.

The drainability assessment was carried out before the Guidance for Drainability was issued, so that the company's drainability assessment was not sent to the RSPO secretariat, in addition the company has plans to conduct a drainability assessment again in 2022 to complete the existing drainability assessment in accordance with the RSPO guidance for drainability assessment.

7.7.6

The planting on peatland has been managed according to applicable national regulations and RSPO Guidelines for Best Management Practices (BMP) for Oil Palm Cultivation that are already on Peatlands, such as by water and ground cover management, peat subsidence monitoring, and drainability assessment.

7.7.7

The company has had unplanted peat land amount of 182.07 ha. Based on field observation, this area has been managed as conservation area referring on 'RSPO Best Management Practices for the Management and Rehabilitation of Natural Vegetation related to Oil Palm Cultivation that already exists in Peatlands'.

Status: Comply

7.8
Practices maintain the quality and availability of surface and ground water
7.8.1

The company shows a Water management and monitoring plan period 2021 with details:

- Identification of drainage line in Staff and Employee Housing.
- Create and maintain drainage line in Estate and Mill housing.
- Identification of all riparian areas on the rivers in PT LIN.
- Testing river water quality.
- Make / maintain riparian marking on the riparian area in PT LIN.
- Monitoring identification, maintenance of marking and maintenance of warning boards on riparian and river water quality.
- Identification of all locations and depths of drill wells at PT LIN
- Testing clean water in the drill well.
- Monitoring subsidence pole on peat lands.

Records of the implementation of water management have been listed in RKL-RPL report in first semester of 2021, HCV documents and efficiency of water use for processing in Mill and domestic documents.

The company was conducted surface water testing every month by Environmental Agency Laboratory of West Sumatera Province dated 17 June 2021 located in downstream (before Mill operation area) & upstream (after Mill operation area) of Batang Masang Kecil (PT AAI). The last surface water testing on 23 July 2020 and still accordance with standard quality surface water of Government Regulation No. 22 In 2021 (water class II). Meanwhile, for scope PT LIN, water surface testing every 6 month located on Batang Koja; downstream & upstream of Batang Masang; downstream & upstream of Batang Kinali; and downstream & upstream of Batang Bunut. The rivers are flowing through the estate. The last surface water testing on 4 May 2021 and still accordance with standard quality surface water of Government Regulation No. 22 in 2021 (water class II).

According to environment monitoring analysis, it was informed that the company activity has not given negative affect. The ground water testing for 10 housing well for water source. The domestic housing well and consumption water from reverse osmosis testing shows that all parameters are accordance with Minister of Health Regulation (*Permenkes*) No. 32/2017.

Based on workers interview on estate housing Laras Estate known that drinking water for them originated from well water and Mill also provides clean water access for all workers.

7.8.2

The company shows the procedure of the boundaries of riparian and HCV areas with document number ST-SOP11-03 rev 03 dated February 28th, 2018. Field visit during audit, for examples on Riparian Area Block A14 Laras estate, acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border.

7.8.3

POME produced by POM processed at waste water treatment plant (WWTP) based on POME management procedures, until it complying with standards before it disposal to river. The permit for POME disposal by decree of Pasaman Barat regency No. 503/04/DPMPSTP/II-2019 dated 20 February 2019 valid 5 years.

POME quality testing document review shown for March to August 2021, all of POME testing parameters (TSS, pH, BOD5, COD, Total N, and oil and grease) are compliant to the standards quality (threshold by Environment Minister No. 5 Year 2014), and all of POME management and monitoring has been reported to related institutions per 3 months regularly.

Based on field visit at outlet POME disposal WWTP, there is a flowmeter for calculate the flow of the POME and there is no indication of liquid waste runoff from WWTP.

7.8.4

The company has a WTP work instructions with document number WI-PD-09 Revision 03 January 3rd, 2018 PT AAI Palm Oil Mill at point "m" is explain the initial record printed on the flow meter to find out the use of water to the mill and housing daily.

The company has an extension permit letter for the use of surface water resources according to the Decree of the Governor of West Sumatra No. 611-06-2019 dated 2 August 2020 (valid 10 years, evaluated 1 year) with the location for taking water is *Sungai Batang Masang Kecil*, the volume of water withdrawal is $\pm 14,400$ m³/month. The water use for processing in Mill in January to August 2021 is 121,686 m³ and water use efficiency for processing is 1.16 m³/ton FFB. The established efficiency of water usage in Mill for 2021 period is 1,2 m³/ton FFB.

Status: Comply
7.9
Efficiency of fossil fuel use and the use of renewable energy is optimized.
7.9.1

The company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to September 2021 AAI POM has produces 2,271,744 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 20 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

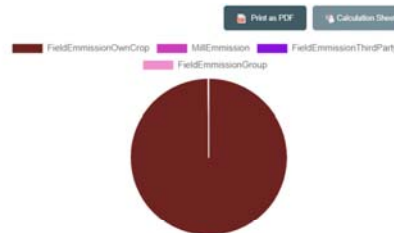
Based on auditor verification result during audit known data pesticides usages monitoring, data diesel fuel monitoring, HCV identification, data POME, total planted area, total planted area on peat and etc. found that accurate data has been put into the RSPO palm GHG Calculator. Meanwhile this GHG calculation using options No 1 (apply full version).

Calculation of GHG and its monitoring has conducted by sustainability department. GHG emission of 2020 has been calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for AAI POM and its supply base are listed as follows:

Summary Emission

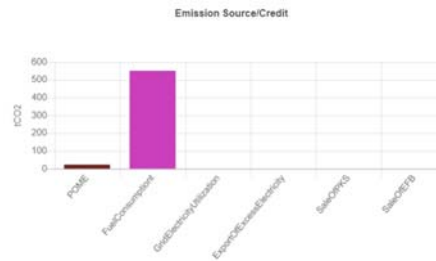
Product	tCO ₂ e / tProduct	Action	
CPO	9.64		
PK	9.64		
PKO	0.00		
PKE	0.00		

Description	Unit	Value	Action	
Oil palm planted on mineral soil	Ha	319.76		<input type="checkbox"/>
Oil palm planted area on peat	Ha	5701.65		<input type="checkbox"/>
Total oil palm planted area	Ha	6021.41		<input type="checkbox"/>
Conservation area (Forested)	Ha	0.00		<input type="checkbox"/>
Conservation area (Non-Forested)	Ha	0.00		<input type="checkbox"/>
FFB Production per hectare	t/ha	25.43		<input type="checkbox"/>
OER	%	20.85		<input type="checkbox"/>
KER	%	4.29		<input type="checkbox"/>



Mill Emissions and Credits

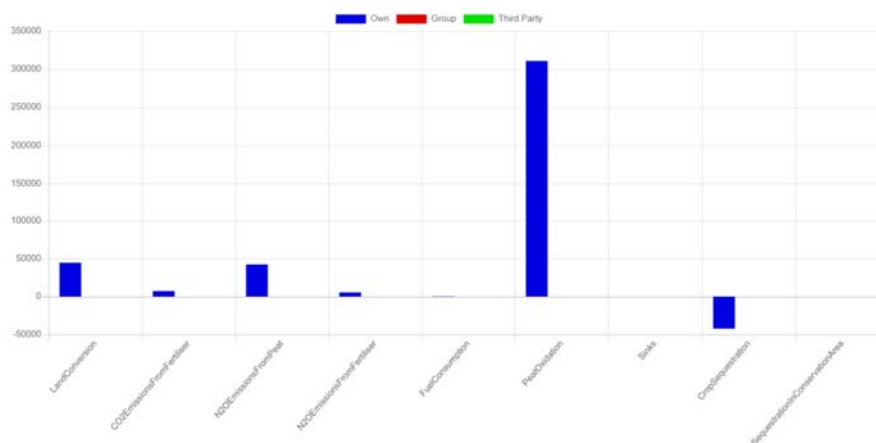
Description	tCO2	tCO2e/t FFB	Action
Emission Sources			
PCME	24.71	0.00	SW
Fuel Consumption	553.06	0.00	SW
Grid Electricity Utilisation	0.00	0.00	SW
Credits			
Export of Excess Electricity to Housing & Grid	0.00	0.00	SW
Sale of PKS	0.00	0.00	SW
Sale of EFB	0.00	0.00	SW
Total	577.77	0.00	SW



Estate/Plantation field emissions and sinks

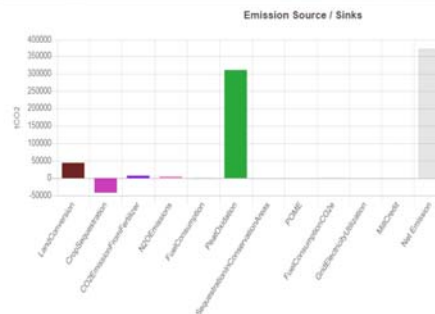
	Own			Group			3rd Party			
Description	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	Total
Emission Source										
Land Conversion	45030.81	7.48	0.29	0.00	0.00	0.00	0.00	0.00	0.00	45030.81
CO2 Emissions from Fertiliser	7758.76	1.29	0.05	0.00	0.00	0.00	0.00	0.00	0.00	7758.76
N2O Emissions from Peat	42681.26	7.09	0.28	0.00	0.00	0.00	0.00	0.00	0.00	42681.26
N2O Emissions from Fertiliser	5936.53	0.99	0.04	0.00	0.00	0.00	0.00	0.00	0.00	5936.53
Fuel Consumption	705.10	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	705.10
Peat Oxidation	311310.63	51.70	2.03	0.00	0.00	0.00	0.00	0.00	0.00	311310.63
Sinks										
Crop Sequestration	-42683.23	-7.09	-0.28	0.00	0.00	0.00	0.00	0.00	0.00	-42683.23
Sequestration in Conservation Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	370739.85	61.57	2.42	0.00	0.00	0.00	0.00	0.00	0.00	370739.85

Field Emission and Sinks



Emissions from Palm Kernel Crusher

Emission Source	tCO2e
PK from own mill	0.00
PK from other sources	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00



FFR Supplier

Production	t/yr
FFB processed	153,137.00

CPO produced	31928
PK produced	6575
Palm Oil Mill Effluent (POME) Treatment	
Divert to compost (%)	0
Divert to anaerobic digestion (%)	100
POME Divert to Anaerobic Digestion	
POME to anaerobic pond (%)	100
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	0
7.10.2	
Based on history of land use and area statement, no new planting activities above 2014. The first planted on 1991 and last land clearing in 2006. The date of HCV report issue November 19 th , 2015. For Land clearing since November 2005, explained on indicator 7.12.8.	
7.10.3	
The company has identified pollutions and emissions sources of AAI POM, such as CO ₂ (boiler, generator, transportation), CH ₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for estate are listed on the identification documents and management plans for pollution sources for the period 2021, such as: emissions (CO ₂ , CO), noise, chemical waste, organic and inorganic waste and infectious waste. Plans to reduce or minimize has been implemented and monitored as explained on RKL-RPL report in first semester of 2021 and Report of Odor and Vibration PT AAI in 2020-2021 which has been held by Regional Service Technical Unit of OHS in West Sumatera Province.	
Fossil fuel reducing on AAI POM palm oil mill have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods March to August 2021, shown that all of POME testing parameters is compliant to the standards quality.	
Status: Comply	
7.11	
Fire is not used for preparing land and is prevented in the managed area.	
7.11.1	
The company does not do land clearing, land clearing is done by manual systems and green stacking practice. Company policy related to "zero burning" is contained in the ST-POL08-02 Date October 2015 environmental policy document and in procedure land clearing and preparation no. OPE-SOP01-13 Rev 13 dated March 29 th , 2016. Based on field observations, there is no burn activities. Based on interview with management, they opened land using heavy equipment (manually).	
7.11.2	
The fire prevention and control measures for managed areas has been explained on Report of RKL-RPL first semester of 2021, which period is between January to June 2021. Besides, the company has shown results of monitoring hotspots from fire towers every month. For example, in January-September 2021, there were no hotspots in the company area. Based on field observations, there is no evidence of burning in operational area of the company. Based on interview with management, they opened land using heavy equipment (manually).	
7.11.3	
The company has involved stakeholders on locations border operational areas as an effort to prevent and control fires through installment of signboard for prohibition of land opening burning which is recorded in RKL-RPL report in first semester of 2021. Based on results of interview with Jorong Padang Candu and Nagari Kinali, there is no land fire insides or outsides the operational area of the company in year 2021.	
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

Based on history of land use and area statement, no new planting activities above 15 November 2018. The first planted on 1991 and last land clearing in 2006. The date of HCV report issue November 19th, 2015. For Land clearing since November 2005, explained on indicator 7.12.8.

7.12.2

The company shows the HCV assessment report carried out by consultants Malaysian Environmental Consultants Sdn Bhd on September 14-20th, 2013; November 7-11th, 2014 and was re-upgraded on November 16-18th, 2015. So, the final report was completed on December 21st, 2015. Lead Auditor is Kishokumar Jeyaraj has been registered to HCV Lead Assessor. The assessment area is 7,309 ha (Land Use title core) and 1000 ha (Plasma Location Permit) so that the total assessment area is 8,316 ha. The total area allocated for HCV Management is 247,394 ha (Potential HCV 4), Those HCV identification result, exclude scope certification area. Based on document verification (HCV identification Map) and field visit during audit ASA-2 known no HCV on operation area.

7.12.3

Based on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.

7.12.4

Company has attached an Action Plan for Management and Monitoring of High Conservation Value Areas (HCV/HCV) at the PT Laras Internusa Oil Palm Plantation in 2021. Based on this document, the company has carried out monitoring and management of HCVs including:

1. Socialization of the prohibition on hunting RTE species in the PT LIN area once a year & PT AAI 6 months.
 - a. Socialization of HCV to contractors on 25 August 2021 which was attended by 19 participants.
 - b. Socialization of HCV to employee 10 March 2021 which was attended by 139 participants.
 - c. Socialization of HCV to local communities on 13 August 2021 which was attended by 15 participants.
 - d. Socialization of Chemical Application Prohibition in Riparian on 14 & 22-23 January 2021 and 22 February 2021 which was attended by 36 spraying workers.
2. Install and repair hunting ban boards in the PT LIN & AAI area once a year
 - a. Installation of signboards about prohibition of spraying, fertilizing, cutting trees, hunting, catching and injuring animals, poisoning & electrocuting, bathing and washing in Block D05, A12, B14 and B15
 - b. Installation of signboards to protect the environment on 7 July 2021 at the Main Gate of PT LIN, Perum F8, E23 and G34.
3. Provision of sanctions violating hunting restrictions in the PT AAI & LIN area once a month.
4. Security patrols ensure there are no hunting activities every 1 month. For example, result of the last patrol on September 2021 explained that the condition of the area and signboard on the river border in Laras A did not have any encroachment and the condition of the signboard was still clearly visible.

The company has reviewed the 2020 HCV plan as stated in PT Laras Internusa's 2020 Management Review document on 11 January 2021, which was attended by the Director, Manager, Staff, AM Sustainability, etc.

Based on result of interview with Jorong Padang Candu and Nagari Kinali representatives, they have known there is HCV area in PT LIN and also the prohibition of hunting of protected species.

7.12.5

Based on document verification (HCV identification Map), interview with nearest community and field visit during audit ASA-2 known no HCV on operational area.

Based on HCV document reports finalized in December 2015, the company did not have HCV area. Based on interviews

with Jorong Padang Candu and Nagari Kiniali representatives, there are no community areas that were used as HCV areas. Based on HCV documents, since 1989 potential areas of HCV have been occupied by village communities.

7.12.6

For monitoring plan for RTE species, arranged on SOP wildlife Number ST-SOP04-01 rev 01, January 2014 point 6.4 explained a survey and monitoring RTE species planned once of year.

The implementation of management RTE species for period 2021 has been done as shown below:

1. Socialization of HCV to contractors on 25 August 2021 which was attended by 19 participants.
2. Socialization of HCV to employee 10 March 2021 which was attended by 139 participants.
3. Socialization of HCV to local communities on 13 August 2021 which was attended by 15 participants.
4. Socialization of Chemical Application Prohibition in Riparian on 14 & 22-23 January 2021 and 22 February 2021 which was attended by 36 spraying workers.

Based on result of interview with Jorong Padang Candu and Nagari Kiniali representatives, they have known there is HCV area in PT LIN and also the prohibition of hunting of protected species.

7.12.7

The company have established HCV management and monitoring plan 2021, and implemented it well. Company has shown HCV area patrols record including monitored signboard HCV, prohibition chemical application on riparian, illegal logging and other illegal activities. For example, result of HCV area patrol until September 2021 shown that there is no encroachment and hunting of animal in HCV area.

7.12.8

The company shows PT Laras Internusa Land Use Change Analysis with details:

- Date of HCV report issue November 19th, 2015.
- Total management area 8,336.16 ha (1000 ha is plasma area).
- The total area of raw liability (ha) is 766.11 ha.
- Total area of conservation liability (ha) 394.87 ha.
- Organization who conducted LUC Analysis is Malaysian Environmental Consultants Sdn. Bhd.
- Organization who conducted a review is Daemeter.
- Complete data was received on July, 22nd 2016.
- Report Date (review) report was prepared on May 08th, 2016.
- Results of LUC Analysis methodology review is Pass with clarification.

A letter is available from rspocompensation@rspo.org (Dilon) to PT LIN on August 22nd, 2016 stating PT LIN - **Pass with clarification**. However, on January 23rd, 2018, an e-mail from Ainaa Amira (rspocompensation@rspo.org) was available asking about the status of the clarification LUCA document. The company then sent back evidence of email between Mr. Arvind (TSH Group) and Mr. Dillon regarding LUCA on February 14th, 2018 and was responded by Mr. Dillon on February 16th, 2018. Then the company asked to send back the LUCA document on November 20th, 2018. A reply from Khing Suli (khing.suli@rspo.org), on November 20th, 2018 which said "I have only managed to locate the communication between Dillon Sarim and then late Ainaa Amira to Mr. Selwendaran up to Jan 2018. As you can see in the trails of emails, Ainaa has been asked for an update in Jan 2018 with regrads to the LUCA clarification findings.

There is evidence in the form of a map and communication between the company and the RSPO via email on 13 November 2019 which explains that the 39 ha area subject to RACP obligations is outside the scope of certification.

Status: Comply	
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3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or √
ASA-2	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
ASA-2	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA-2	The company didn't use logo and trademark of RSPO.	√
	Status:	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA-2	The company didn't use logo and trademark of RSPO.	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

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

TSH Sdn Bhd Group Time Bound Plan (TBP) is explained in table 1.10. TSH Sdn Bhd Group has nineteen (19) management units with seven (7) mills. TSH Sdn Bhd Group has informed the TBP progress, MUTU has considered that TSH Sdn Bhd Group is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by TSH Sdn Bhd Group.

MUTU has verified partial certification for un-certified unit's subsidiary of TSH Sdn Bhd Group based on their Time Bound Plan. There are three (3) uncertified mills and twelve (12) uncertified estates of TSH Sdn Bhd Group. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Company statement: The company has conduct an internal audit for uncertified units under its membership. Auditor comment: The internal audit for units has been verified by the auditor.
2.1.2	No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> Primary forest. Any area identified as containing High Conservation Values (HCVs). Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO. Auditor Verification : PT MJC, AWB, AWS, BCAP, FDB, LIN, MJC, MWJP, RT Plantation and TSS has sent the LUCA report to RSPO on 2016. However currently the status is need further clarification from TSH Sdn Bhd Group management, the clarification has been sent to RSPO on October 2019 and until now this is in progress
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	Company statement: There are no new development plans since 2014 (TSH Sdn Bhd registered as RSPO member in 2014), there are units that have been planting since 2010. Auditor Verification : The TSH Sdn Bhd Group registered as RSPO member in 2014, all the new planting and LC has been stop after it registered to RSPO. For the units that has been planted since 2010 without NPP, sanction will applied.
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.

		<p>Auditor verification : There are no land conflicts in the 7 units, the company has procedures for resolving land conflicts:</p> <ul style="list-style-type: none"> Regarding land conflicts explained in the Land Dispute SOP (PMA-SOP16-01) the latest revision was issued on March 24, 2018. The SOP explained the Implementation of the Concept of Free, Prior, and Informed Consent. TSH Resources also has SOP PMA-SOP04-03 dated 3 August 2019 regarding Land Transfer. This document explains the stages of land acquisition from mapping, village involvement, verification of documents to payment of compensation.
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company statement: There is no labour disputes</p> <p>Auditor verification : There were no significant labor conflicts in the areas of PT MJC, AWB, AWS, BCAP, FDB, LIN, MJC, MWJP, RT Plantation and TSS</p> <p>The seven units have Company Regulations determined based on the results of deliberations with workers' representatives. TSH Sdn Bhd group follows a system to resolve complaints and internal complaints, which is stated in HR-SOP23-02 dated January 26, 2018. Related to complaints and external complaints, explained in the communication procedure with code: ST-SOP07-04 issued on May 28, 2019 .</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company statement: All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification :</p> <ol style="list-style-type: none"> PT Andalas Wahana Berjaya has been built since 2006 with a HGU issued in October 2018 covering an area of 3096.7574 hectares and there has been no addition of new areas. Until now, PT Andalas Wahana Sukses has not obtained the HGU, but has obtained a location permit and Plantation Business Permit. PT Bulungan Citra Agro Persada already has a HGU covering an area of 13,214.9 hectares and there is no new development area. PT Farinda Bersaudara has a HGU and there are no additional new development. PT Laras Internusa has been built since 2004

		<p>with a 7,309 Ha concession and no additional new area.</p> <p>f. PT Munte Waniq Jaya Perkasa has a HGU covering an area of 8015.69 Ha and there is no additional new development.</p> <p>g. RT Plantation has been built since 2013 with an area of 2,601 ha and there are no additional new development area</p> <p>h. PT Teguh Swakarsa Sejahtera has HGU covering an area of 10,282 hectares and there are no additional new development area.</p>
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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

NCR No.	:	2020.01	Issued by	:	Bayu Yogatama
Date Issued	:	9 October 2020	Time Limit	:	7 January 2021
NC Grade	:	Critical	Date of Closing	:	7 January 2021
Standard Ref. & Requirement	:	Certification System clause 4.5.4 Requirements for uncertified management units: (e) CBs shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a)-(d) above by the CB based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach: (f) A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organization. This would require evidence of the self-assessment against each requirement;			
Non-Conformance Description & Evidence observed (filled by auditor): The company has set a time bound plan RSPO certification for uncertified units under TSH Sdn Bhd, there are 10 units (RT Estate, FBD POM, FBD Estate, TSS Estate, MWJP Estate, PSM Estate, MJP Estate, AWB 2 Estate, AWS Estate, BCAP Estate) as well as several uncertified areas in LIN Estate (HGU 13, remediation areas, and community occupation areas), but the company has not been able to show supporting evidence of fulfilling partial requirements as shown through self-assessment documents of these units.					
Root Cause Analysis (filled by organization audited): Partial certification for each unit under TSH Sdn Bhd was carried out in October 2020 by the previous Sustainability Manager, but there was no handover of this partial certification document which resulted in the document not being updated and could not be shown during the audit.					
Correction (filled by organization audited): Show updated documents related to the partial certification of each TSH Sdn Bhd unit, and make a time bound plan for each unit that is not yet RSPO certified.					
Corrective Action (filled by organization audited): The Sustainability Department will monitor the fulfillment of the partial certification requirements through self-assessment documents for units under TSH Sdn Bhd that have not been certified.					
Assessor Evaluation and Conclusion (filled by auditor): Verification 07 January 2021 The management unit shows evidence of improvement in the form of: <ul style="list-style-type: none">• Positive Assurance Letter of TSH Resources Berhad to Mutuagung Lestari as CB dated December 1, 2020• Internal audit documents for units under TSH Resources Bhd which have not been certified which were conducted on December 1, 2020. The audit was conducted for PT Mitra Jaya Cemerlang, PT Farinda Bersaudara, PT Teguh Swakarsa Sejahtera, PT Munte Waniq Jaya Perkasa, PT Perkebunan Sentawarangun , PT Andalas Wahana Sukses, PT Bulungan Coto Agro Persada. Audit activities have covered all partial audit indicators.• The latest timebound plan, updated in October 2020.					

- The HGU 13 area and the RaCP area within PT LIN have been included in the TBP.

Based on root cause analysis, evidence of planned corrections and preventive action, Non-conformities have been closed.

Verified by : Bayu Yogatama

NCR No.	: 2020.02	Issued by	: Radytio Puspanjana
Date Issued	: 9 October 2020	Time Limit	: Next Surveillance
NC Grade	: Non-Critikal	Date of Closing	: 11 July 2021
Standard Ref. & Requirement	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.		
Non-Conformance Description & Evidence observed (filled by auditor): <ul style="list-style-type: none"> • Wildlife SOP Number ST-SOP04-01 rev 01 January 2014 point 6.4 describes the survey and monitoring of RTE species that are planned once a year. • The report of flora and fauna identification and monitoring period 2019 that explains the RTE species monitoring results for the 2018 period. • Based on document verification, known that monitoring of RTE species for the 2019-2020 period has not been carried out. • The company has not been able to show evidence that the RTE (Rare Threatened Endangered) species has been monitored regularly. <p>The company has not been able to show evidence that the RTE (Rare Threatened Endangered) species has been monitored regularly.</p>			
Root Cause Analysis (filled by organization audited): <p>The company uses consultant services in terms of monitoring flora and fauna in the 2019 period monitoring activities are planned to be carried out in early 2020, but due to a pandemic case so activities cannot be carried out according to schedule.</p>			
Correction (filled by organization audited): <p>Carry out monitoring activities for flora and fauna according to the schedule every year.</p>			
Corrective Action (filled by organization audited): <p>The sustainability department will ensure that the monitoring of flora and fauna is carried out according to the schedule every year</p>			
Assessor Evaluation and Conclusion (filled by auditor): <p>Verification on July 11, 2021.</p> <p>The company shows proof of improvement in the form of an RKL-RPL report for Semester 2 of 2020, in appendix 5 which explains the results of monitoring the significant impacts of disturbances to protected wildlife habitats at PT LIN, based on the results of monitoring that has been carried out there are no protected plant species according to the Ministry of Environment and Forestry No. P 106 of 2018 while for protected animal species such as rat eagle, black bazaar, estuarine crocodile and gray head eagle.</p>			

Based on the description above, this nonconformity is declared complied.

Verified by	:	Radytio Puspanjana
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3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-2

NCR No.	:	-	Issued by	:	-
Date Issued	:	-	Time Limit	:	-
NC Grade	:	-	Date of Closing	:	-
Standard Ref. & Requirement	:	-			
Non-Conformance Description & Evidence observed (filled by auditor):					
There is no non-conformance during the surveillance-2.					
Root Cause Analysis (filled by organization audited):					
-					
Correction (filled by organization audited):					
-					
Corrective Action (filled by organization audited):					
-					
Assessor Evaluation and Conclusion (filled by auditor):					
-					
Verified by	:	-			

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Ensuring the development of plasma plantations
2	3.6.2	<p>The company has opportunities for improvement by increasing the monitoring of the effectiveness of OHS, including:</p> <ul style="list-style-type: none"> - Ensure that the washing and storage procedures for the PPE of the fertilization team are complied with by all workers. - Ensure that PPE is used by all workers in accordance with the hazard identification and risk control documents that have been determined. - Ensure drainage channels where fertilizer sacks are washed - Realizing a follow-up plan on the results of the health examination in September 2021
3	6.2.3	The company needs to ensure the basis for calculating overtime for field (estate) workers in writing from the relevant agency

3.4.4. Noteworthy Positive Components

No	Ref. Std.	Description
1	-	Commitment to implement Indonesia's sustainable plantation system
2	-	Presentation of documents and good teamwork
3	-	Zero Accident Awards 2020



3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Environment Agency of Pasaman Barat District (Head of Environmental Impact Supervision Division) Date: 5 October 2021 <ul style="list-style-type: none"> There's no negative issue related towards environmental aspect of period 2020-2021. Company routinely reported all mandatory report, such as RKL-RPL report, hazardous waste report and liquid management report. 	<p>There are no negative issues, no need further verification.</p>
Plantation Agency of Pasaman Barat District (Head of Departement) Date: 5 October 2021 <ul style="list-style-type: none"> There's no issue related to land fire on period 2020/2021. Company routine reported all mandatory report. There's no negative issue related to agronomy best practice. There is an issue toward scheme smallholder. The company has established total areal for scheme smallholder around 1000 Ha but it only implemented ±230 Ha until 2021. Implementation of total area of scheme smallholder which has not met established total area due to land condition of established area is flooded if heavy rain happened. This issue has been discussed by Local Government and DPRD in August 2021. Plantation Agency of Pasaman Barat District has recommended the company to join program of rejuvenation which is held by BDPKPS. The company is encouraged to increase CSR activity to local community. 	<p>Realization of scheme smallholder management has been explained in indicator 2.1.1.</p>
Labor Agency of West Sumatera Province (Labor Supervisor and Investigator Pasaman Barat District) Date: 5 October 2021 <ul style="list-style-type: none"> Company had worker union. Company provide OHS facilities to all workers. Company gives wage to all workers based on national regulation. On period 2019/2020, there's no negative industrial relation issue. Labor Report has been submitted. Many local communities work on company. 	<p>There are no negative issues, no need further verification.</p>
Local Contractor Date: 5 October 2021	

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Company has socialite Integrity, Force Labor and Child Labor to contractor. Contractor provide PPE to workers. There's no complaint from contractor. Every month, company evaluate contractor related to National Regulation Compliance. 	<p>There are no negative issues, no need further verification.</p>
<p>Worker Union (SPSI) Date: 5 October 2021</p> <ul style="list-style-type: none"> There's no negative issue related to discrimination, sexual harassment and child labor. Company gives wage to all workers based on national regulation. There's no complaint from workers. All workers have been registered on health and worker insurance. No fatal accident on period 2020-2021. Company provide OHS facilities like PPE and medical checkup. 	<p>There are no negative issues, no need further verification</p>
<p>Worker Union (SARBUKSI) Date: 5 October 2021</p> <ul style="list-style-type: none"> The wages of some harvester are still below the minimum wage. This is because harvest workers go home before the set time (return before 12 noon). Annual bonus discontinued Sarbuksi has sent a letter of request / borrowing a building and installing planks to the company. However, there has been no further response. There's no negative issue related to discrimination, sexual harassment and child labor. 	<ul style="list-style-type: none"> Based on interview with harvester and wage simulation, known that harvest workers' wages are based on their work (base/target). The team of auditors has simulated the calculation of wages for workers who work < 7 hours and workers who have worked for 7 hours but have not reached the base/target. For workers who work < 7 hours, they are paid according to the results of their work. For workers who have worked 7 hours but do not get a base/target, a top up of wages will be made. For example, the audit team has verified the wages of harvest workers with initial DL and SP in August 2021. Both workers have worked for 7 hours (foreman's note) but have not received a base/target. Related to this, the company has provided top up (additional wages). Annual bonuses are not mandatory. However, the company has given prizes/appreciation to harvest workers which perform. The company has shown documentation of awarding prizes/appreciation to outstanding harvesters for the 2020/2021 period. The company has shown a response letter to the letter submitted by Sarbuksi No. 36/HRD/LIN/IX/2021 dated September 1, 2021. The company has also shown a receipt for the letter that has been given to the Sarbuksi representative, completed by the recipient's signature and

Public Issues (Institution/ NGO/Community)	Auditor Verification
	Sarbuksi's stamp.
Gender Committee The company has socialized corporate policies related to human rights, non violence, and protection of women's reproductive rights. No cases related to human rights, violence, or harassment. Every female employee has been granted menstrual leave rights, before and after childbirth. There have been mechanisms to monitor pregnant and breastfeeding female workers not working in chemicals.	The auditor has verified and has been further explained in principle 6 related to respect workers rights' and working condition
Head of Jorong Padang Candu Date: 5 October 2021 <ul style="list-style-type: none"> • Many local communities work on company. • There's no negative impact from company operational. • There's no land fire issues on surrounding company operational area. • Company has provided many supports for <i>Jorong</i>, such as: road repairing, National Anniversary event and charity. 	There are no negative issues, no need further verification
Head of Nagari Kinali Date: 5 October 2021 <ul style="list-style-type: none"> • Many local communities work on company. • There's no negative impact from company operational. • There's no land fire issues on surrounding company operational area. • Company has provided many supports for <i>Nagari</i>, such as: road repairing, National Anniversary event and charity. 	There are no negative issues, no need further verification
National Land Agency Date: 6 October 2021 <ul style="list-style-type: none"> • Company has reported Land Use Title Utilization report. • Company already had 3 land use title. • There's no land extent on PT Laras Internusa & PT Andalas Agro Industri. 	There are no negative issues, no need further verification
Head of Village Unit Cooperative Plasma MLKS (Mandi Angin Alamanda Koja Sidodadi) Date: 6 October 2021 Company has mutual agreement with local communities for development of Plasma with area of ±1400 ha.	Realization of scheme smallholder management has been explained in indicator 2.1.1.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Cooperative Plasma MLKS has had progress for plasma management which has been established for fulfillment on 2022.</p> <p>KUD does not have information from company why the realization still not completed.</p>	
<p>Online Media Issues</p> <p>https://petisi.co/pt-laras-internusa-didemo-masyarakat-kinali-tuntut-hak-ulayat/</p> <p>https://kumparan.com/langkanid/warga-pasbar-demo-pt-laras-inter-nusa-soal-hak-perkebunan-plasma-1vu1u0xaQgO</p> <p>https://www.youtube.com/watch?v=OicJQVOZDn4</p> <p>https://padangkita.com/tuntut-janji-pt-laras-internusa-yang-akan-bangunkan-plasma-untuk-masyarakat-sejak-1989-ini-yang-dilakukan-ninik-mamak-kinali/</p>	<p>Regarding to plasma issues has been fully informed on indicators 2.1.1.</p> <p>For the latest record on October 4, 2021, the company and the Palm Oil Cooperative Mandiangin Langgam Kinali Sejahtera held a meeting to discuss the commitment to continue plasma development while waiting for the results of the prosecutor's decision regarding the determination of the suspect for obstruction of plasma development work.</p> <p>Companies are encouraged to ensure the development of the community Plasma. OFI</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<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>PT Andalas Agro Industri Management Representative</p>  <p><u>Thambirajan Pillai</u> Thursday, 07 October 2021</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Rizliani Aprianita Hasibuan</u> Thursday, 07 October 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	Plantation Agency of Pasaman Barat Regency	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
2	Labor Agency of Pasaman Barat Regency	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
3	National Land Agency	Pasaman Barat Regency	-	Interview via telephone	6 October 2021	✓	
4	Environment Agency of Pasaman Barat Regency	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
5	Worker Union	Pasaman Barat Regency	-	Direct interview	5 October 2021	✓	
6	Gender Committe	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
7	Local Contractor (CV Anugrah Mandiri)	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
8	Head of Jorong Padang candu	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
9	Head of Nagari Kinali	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
11	Head of Village Unit Cooperative Plasma MLKS	Pasaman Barat Regency	-	Interview via telephone	5 October 2021	✓	
12	POM PT AAI: • 1 Warehouse Officer • 2 Workshop Workers	Pasaman Barat Regency	-	Field Observation and Direct Interview	5 October 2021	✓	
13	Sawit Watch	Bogor, West Java Province	info@sawitwatch.co.id	Email	29 September 2021		✓
14	World Wildlife Fund (WWF)	South Jakarta, Special Capital Region of Jakarta	wwf-indonesia@wwf.or.id	Email	29 September 2021		✓
15	Walhi	South Jakarta, Special Capital Region of Jakarta	informasi@walhi.or.id	Email	29 September 2021		✓
16	Aliansi Masyarakat Adat Nusantara (AMAN)	South Jakarta, Special Capital Region of Jakarta	rumahaman@cbn.net.id	Email	29 September 2021		✓

Appendix 2. Assessment Program

Date	05 – 10 October 2020	
Program	Clauses To Be Audited	Auditor / PIC
Sunday, 03 October 2021		
13.45 – 15.00	MEDAN (KNO) → PADANG (PDG)	RAH, BYG
Monday, 04 October 2021		
11.00 – 13.00	JAKARTA (JKT) → PADANG (PDG)	All Auditor
13.30 – 17.00	Travelling from Padang to PT Andalas Agro Industri	All Auditor
Tuesday, 05 October 2021		
08.00 – 09.00	Opening Meeting <ul style="list-style-type: none"> Auditee speech (introduction of PIC, profile of Management Unit) Auditor Team speech (introduction, audit objective, audit scope, audit plan discussion, determine of audit sample, transparency and confidentiality clarification) 	All Auditor
09.00 – 12.00	Stakeholder consultation <ul style="list-style-type: none"> Public consultation with stakeholder to relevant agency in Pasaman Barat Regency by Phone Stakeholder consultation to affected communities surrounding the plantations and previous land owner by phone Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier by phone 	ELC
	Field Observation of Laras Estate <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect 	RAH, BYG, SPM
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field Observation of Andalas Agro Industri POM <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, LA) Implementation of Employment Procedure and Mechanism Aspect Presentation of Daily Progress 	All Auditor
Wednesday, 06 October 2021		

08.00 – 12.00	<ul style="list-style-type: none"> • Continue field observation if needed • Continue stakeholder consultation if needed • Document review and completing audit checklist. 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> • Document review and completing audit checklist. • Presentation of Daily Progress. 	All Auditor
Thursday, 07 October 2021		
08.00 – 09.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
09.00 – 11.00	Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ • Comments, Responses and Questions 	
13.00 – 16.00	Travelling from PT Andalas Agro Industri to Padang	All Auditor
Friday, 08 October 2021		
08.00 – 12.00	PADANG → MEDAN (KNO) PADANG → JAKARTA	All Auditor