

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

[✓] **Surveillance**

Name of Management Organisation : Batu Ampar POM PT Tapian Nadenggan subsidiary of Golden Agri Resources Ltd.
 Plantation Name : PT Tapian Nadenggan: Batu Mulia Estate and Batu Ampar Estate
 Location : Serongga Village, Kelumpang Hilir Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia
 Certificate Code : MUTU-RSPO/172
 Date of Certificate Issue : 26 November 2017 Date of License Issue : 26 August 2022
 Date of Certificate Expiry : 25 November 2022 Date of License Expiry : 25 November 2022

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|-------------------|--------------------|--|-------------|-------------|
| ASA-1.3 + ASA-1.4 | 25 to 29 July 2022 | Hasiholan Sihombing (Lead Auditor), Rahmat Abdiansyah, Septian Maulana, Mia Rahmah Qadryani. | Ardiansyah | Leonada |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|-------------------|-----------------------------------|
| ASA-1.3 + ASA-1.4 | 26 August 2022 |

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Figure 1. Location Map of PT Tapian Nadenggan

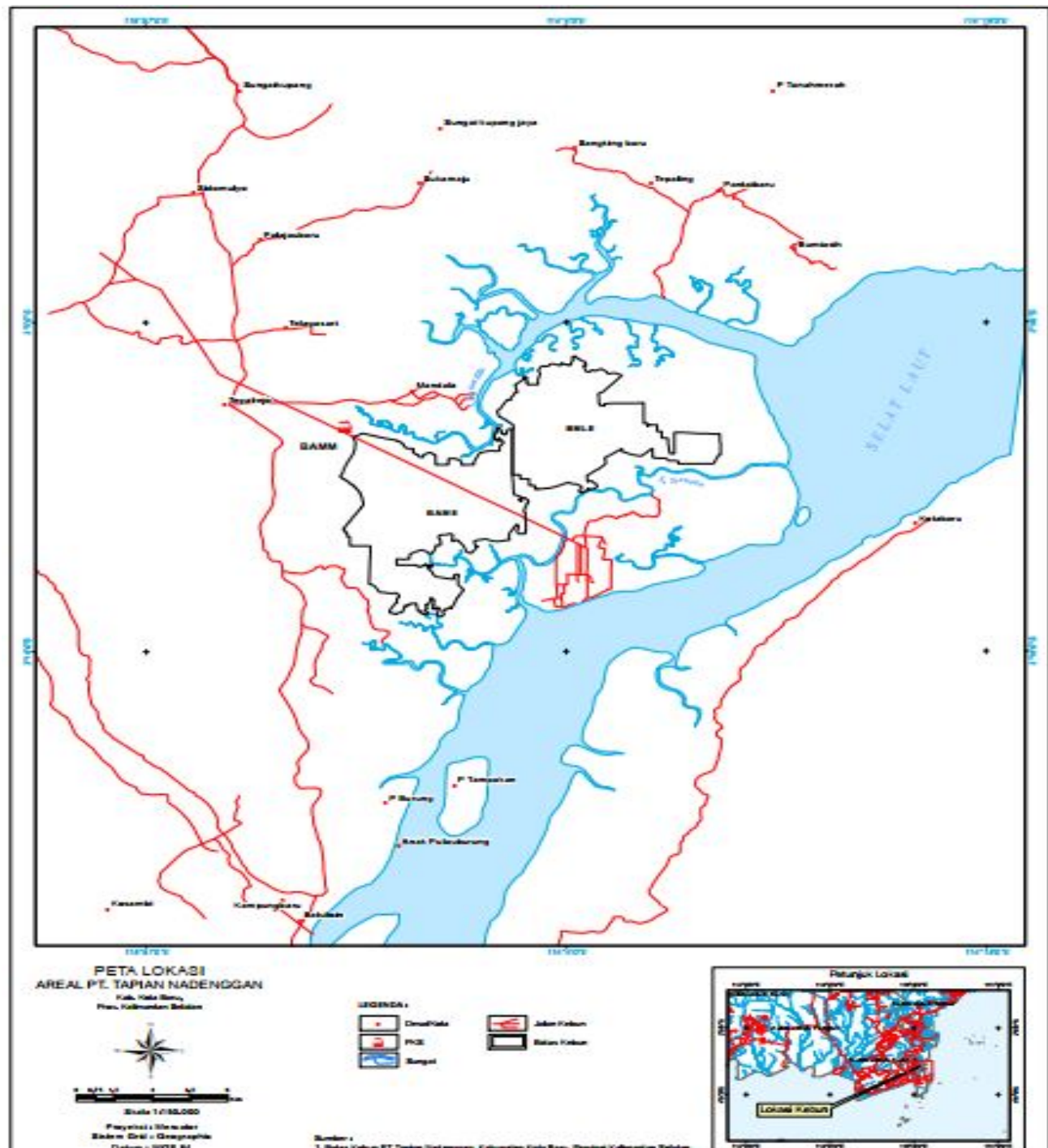


Figure 2. Operational Map of Batu Ampar Estate - PT Tapan Nadenggan

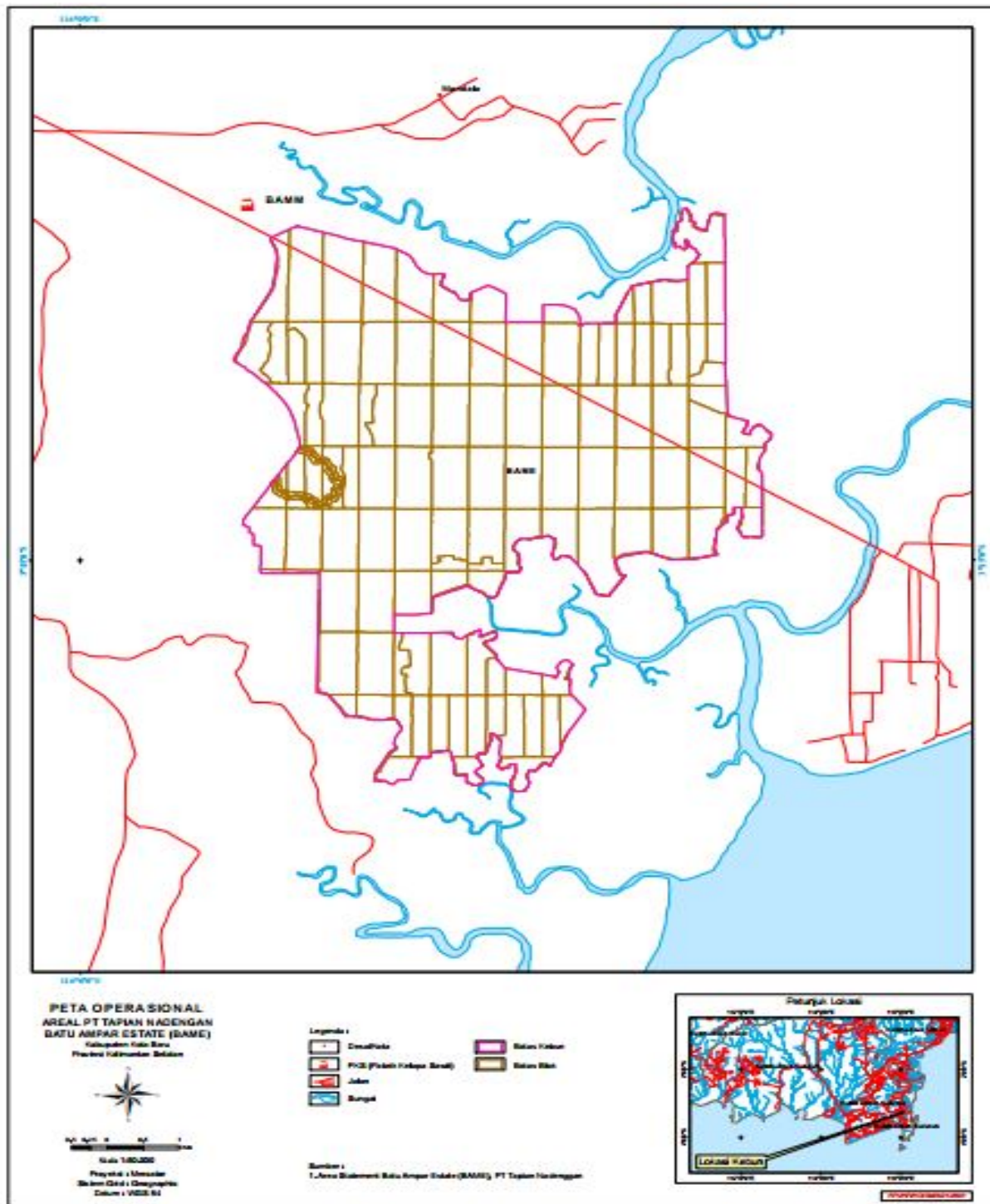
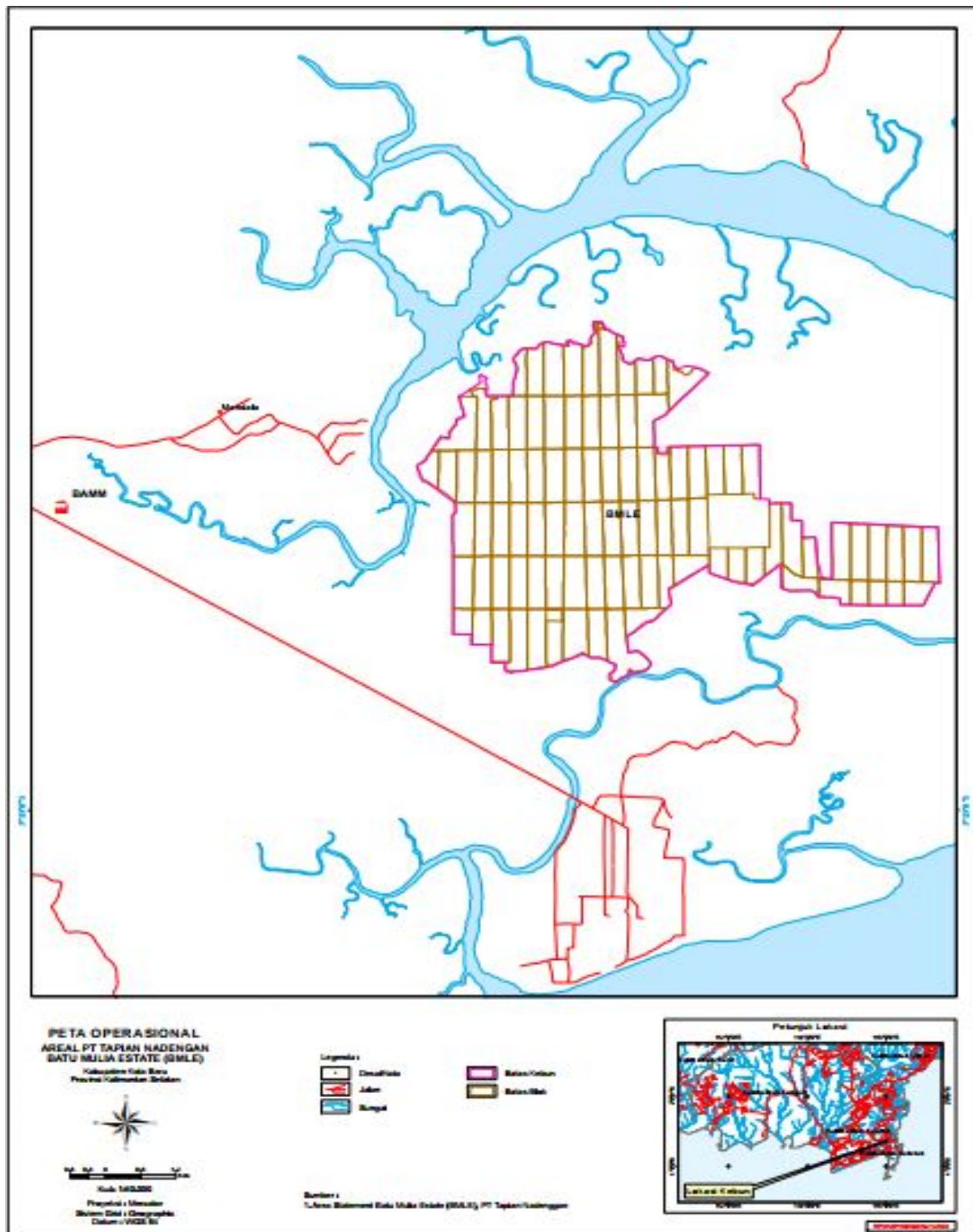


Figure 3. Operational Map of Batu Mulia Estate - PT Tapian Nadenggan



Abbreviations Used

| | | |
|--------|---|---|
| AMDAL | : | AMDAL |
| BAME | : | Batu Ampar Estate |
| BAMM | : | Batu Ampar Mill |
| BMLE | : | Batu Mulia Estate |
| BOD | : | Biological Oxygen Demand |
| BPHTB | : | <i>Bea Perolehan Hak Atas Tanah dan Bangunan</i> |
| BWL | : | Buana Wiralestarimas |
| CH | : | Certification Holder |
| CLA | : | Collective Labor Agreement |
| CPO | : | Crude Palm Oil |
| CSPK | : | Certified Sustainable Palm Kernel |
| CSPO | : | Certified Sustainable Palm Oil |
| CSR | : | Corporate Social Responsibility |
| DLH | : | Dinas Lingkungan Hidup |
| DPLH | : | <i>Dokumen Pengelolaan Lingkungan Hidup</i> |
| EFB | : | Empty Fruit Bunch |
| EIA | : | Environmental Impact Assessment |
| FFB | : | Fresh Fruit Bunch |
| FPIC | : | Free Prior Inform and Consent |
| FR | : | Frequency Rate |
| GAR | : | Golden Agri Resources |
| GHG | : | Green House Gas |
| GSEP | : | GAR, Social, and Environment Policy |
| HCV | : | High Conservation Value |
| HGB | : | <i>Hak Guna Bangunan</i> / Building Title |
| HGU | : | <i>Hak Guna Usaha</i> / Land Use Title |
| HIRAC | : | Hazard Identification Risk Assessment and Control |
| IPM | : | Integrated Pest Management |
| ISCC | : | International Sustainability & Carbon Certification |
| IUCN | : | International Union for Conservation of Nature and Natural Resources |
| KKPA | : | <i>Koperasi Kredit Primer Anggota</i> |
| KT | : | <i>Kelompok Tani</i> Farmer Group |
| KUD | : | <i>Koperasi Unit Desa</i> / Cooperative Village Unit |
| LSU | : | Leaf Sampling Unit |
| LUC | : | Land Use Change |
| MSDS | : | Material Safety Data Sheet |
| OER | : | Oil Extraction Rate |
| OFI | : | Opportunity for improvement |
| OHS | : | Occupational Health and Safety |
| P & C | : | Principle & Criteria |
| P2K3 | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> /OHS Committee |
| PIC | : | Person In Charge |
| PK | : | Palm Kernel |
| PKB | : | <i>Perjanjian Kerja Bersama</i> (Collective Labor Agreement) |
| PKWT | : | <i>Perjanjian Kerja Waktu Tertentu</i> |
| PKWTT | : | <i>Perjanjian Kerja Waktu Tidak Tertentu</i> |
| PMNP | : | Plantation Monitoring and Planning |
| PMPTSP | : | <i>Penanaman Modal & Pelayanan Terpadu Satu Pintu</i> |

| | | |
|---------|---|--|
| POM | : | Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personnel Protective Equipment |
| PT | : | <i>Pekerja Tetap</i> (Permanent Worker) |
| RKL RPL | : | <i>Rencana Pengelolaan Lingkungan – Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan) |
| RSPO | : | Roundtable on Sustainable Palm Oil |
| RTE | : | Rare, Threatened, Endangered |
| RTRWP | : | <i>Rencana Tata Ruang Wilayah Provinsi</i> Province Spatial Plan |
| SBU | : | Strategic Business Unit |
| SCCS | : | Supply Chain Certification System |
| SEIA | : | Social & Environmental Impact Assessment |
| SHM | : | <i>Sertifikat Hak Milik</i> |
| SIA | : | Social Impact Assessment |
| SKU | : | <i>Syarat Kerja Umum</i> / Permanent Workers |
| SMARTRI | : | Sinar Mas Agro Resources and Technology Research Institute |
| SMD | : | Senior Managing Director |
| SOP | : | Standard Operational Procedure |
| SPO | : | Sustainable Palm Oil |
| SR | : | Severity Rate |
| SSU | : | Soil Sampling Unit |
| TBP | : | Time Bound Plan |
| 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"> RSPO Certifications Systems for Principles & Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020). Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20th April 2020. | | | | | | | |
| 1.2 | Organisation Information | | | | | | | | |
| 1.2.1 | Organisation name listed in the certificate | PT Tapan Nadenggan subsidiary of Golden Agri Resources Ltd. | | | | | | | |
| 1.2.2 | Contact person | Yahya Mustakim | | | | | | | |
| 1.2.3 | Organisation address and site address | RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535. Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor. Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia. | | | | | | | |
| 1.2.4 | Telephone | (+62-21) 50338899 | | | | | | | |
| 1.2.5 | Fax | (+62-21) 50389999 | | | | | | | |
| 1.2.6 | E-mail | yahya.mustakim@sinar-mas-agri.com | | | | | | | |
| 1.2.7 | Web page address | www.goldenagri.com.sg | | | | | | | |
| 1.2.8 | Management Representative who completed the application for certification | Yahya Mustakim (Head of Sustainability Management System and Certification Operations Sustainability) | | | | | | | |
| 1.2.9 | Registered as RSPO member | 1-0096-11-000-00 – 30 January 2005 | | | | | | | |
| 1.3 | Type of Assessment | | | | | | | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Palm Oil Mill and supply base: Batu Ampar POM, Batu Ampar Estate and Batu Mulia Estate. <i>Note:</i> <i>In this assessment there is a reduction in the supply base of Batu Ampar POM by 2 Estates (Sungai Panci Estate and Sungai Panci Plasma) compared to the ASA-1.2 assessment, where the 2 Estates have become supply bases for Sungai Kupang POM, PT Sinar Kencana Inti Perkasa</i> | | | | | | | |
| 1.3.2 | Type of certificate | Single | | | | | | | |
| 1.4 | Locations of Mill and Plantation | | | | | | | | |
| 1.4.1 | Location of Mill | | | | | | | | |
| | Name of Mill | Location | <table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 03° 11' 53.35"</td> <td>E 116° 01' 11.30"</td> </tr> </tbody> </table> | Coordinate | | Latitude | Longitude | S 03° 11' 53.35" | E 116° 01' 11.30" |
| Coordinate | | | | | | | | | |
| Latitude | Longitude | | | | | | | | |
| S 03° 11' 53.35" | E 116° 01' 11.30" | | | | | | | | |
| | Batu Ampar Mill | Serongga Village, Kelumpang Hilir Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia | | | | | | | |
| 1.4.2 | Location of Certification Scope of Supply Base | | | | | | | | |
| | Name of Supply Base | Location | <table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> </table> | Coordinate | | Latitude | Longitude | | |
| Coordinate | | | | | | | | | |
| Latitude | Longitude | | | | | | | | |

| | | | | |
|------------|---|---|-------------------------------------|----------------------|
| | Batu Ampar Estate | Serongga Village, Kelumpang Hilir Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia | S 03° 13' 34.82" | E 116° 02' 20.86" |
| | Batu Mulia Estate | Langadai Village, Kelumpang Hilir Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia | S 03° 11' 53.75" | E 116° 06' 04.27" |
| 1.5 | Description of Area Statement | | | |
| 1.5.1 | Tenure | | | |
| | • State | | HGU = 7,648.71 Ha HGB = 27.01 Ha | |
| | • Community | | - Ha | |
| | <i>*There is an area of 775.60 Ha did not include in the scope of certification due to mining activities by the local mining company since the beginning of Estate started the oil palm plantation. Therefore, the total scope of certification is 6,900.12 Ha.</i> | | | |
| 1.5.2 | Area Statement | | | |
| | Total Area | | 6,900.12 | Ha |
| | Mature Area | | 4,964.22 | Ha |
| | Immature Area | | 927.57 | Ha |
| | Mill | | 27.01 | Ha |
| | Building | | 65.13 | Ha |
| | Road | | 251.31 | Ha |
| | Trench, Swamp, River | | 253.49 | Ha |
| | Air Strip | | 5.85 | Ha |
| | HCV | | 152.56 | Ha |
| | Power Line of PLN | | 9.23 | Ha |
| | Asphalt Road | | 25.03 | Ha |
| | Occupation | | 174.37 | Ha |
| | Shrubs | | 44.35 | Ha |
| | <i>*HCV area covering an area of 504.59 Ha, overlapping in other areas such as Planted Area, Road, Trench, Swamp and Shrubs.</i> | | | |
| 1.6 | Planting Year and Cycles | | | |
| 1.6.1 | Age profile of planting year | | | |
| | Planting Year | Hectarage (Ha) | | |
| | | Batu Ampar Estate | Batu Mulia Estate | Total |
| | 1993 | 254.24 | - | 254.24 |
| | 1998 | 94.78 | - | 94.78 |
| | 1999 | 521.99 | - | 521.99 |
| | 2005 | 991.48 | - | 991.48 |
| | 2006 | 352.01 | - | 352.01 |
| | 2007 | 236.29 | - | 236.29 |
| | 2017 | - | 452.13 | 452.13 |
| | 2018 | - | 724.79 | 724.79 |
| | 2019 | 609.38 | 727.13 | 1,336.51 |
| | Sub Total Mature | 3,060.17 | 1,904.05 | 4,964.22 |
| | 2020 | - | 639.60 | 639.60 |

| | | | | | | | |
|-------|--|----------------------------|--------------------------------|---------------------------|-------------------------------|--|-------------------|
| | 2021 | 287.97 | - | 287.97 | | | |
| | Sub Total Immature | 287.97 | 639.60 | 927.57 | | | |
| | TOTAL | 3,348.14 | 2,543.65 | 5,891.79 | | | |
| 1.6.2 | New Planting area after January 2010 | | - Ha | | | | |
| 1.6.3 | Planting Cycle | | 2 nd 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 (%) |
| | Batu Ampar Mill | 60 | 493,807.80 | 93,757.59 | 18.99 | 24,156.51 | 4.89 |
| | *Production data source from January 2020 to June 2022 | | | | | | |
| 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) | % |
| | Batu Ampar Estate | 3,971.08 | 3,060.17 | 111,904.36 | 14.63 | 111,904.36 | 100 |
| | Batu Mulia Estate | 2,929.04 | 1,904.05 | 13,110.11 | 2.75 | 13,110.11 | 100 |
| | TOTAL | 6,900.12 | 4,964.22 | 125,014.47 | 10.07 | 125,014.47 | 100 |
| | *Production data source from January 2020 to June 2022 | | | | | | |
| 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) | |
| | Sungai Panci Estate (RSPO Certified) | | PT Sinar Kencana Inti Perkasa | - | - | 56,031.11 | |
| | Sungai Kupang Estate (RSPO Certified) | | PT Sinar Kencana Inti Perkasa | | | 297.85 | |
| | Sungai Panci Plasma (RSPO Certified) | | PT Sinar Kencana Inti Perkasa | - | - | 88,184.20 | |
| | Sungai Kupang Plasma (RSPO Certified) | | PT Sinar Kencana Inti Perkasa | - | - | 441.57 | |
| | Sungai Kupang Plasma (RSPO Non-Certified) | | PT Sinar Kencana Inti Perkasa | - | - | 4,861.47 | |
| | CV Joya Anugrah Jaya (RSPO Non-Certified) | | Independent Supplier | - | - | 51,903.78 | |
| | Kelompok Tani Telagasari (RSPO Non-Certified) | | Independent Supplier | - | - | 39,666.29 | |
| | KUD Giat (RSPO Non-Certified) | | Independent Supplier | - | - | 2,586.67 | |
| | Gapoktan Karya Tani (RSPO Non-Certified) | | Independent Supplier | - | - | 13,126.14 | |
| | Gapoktan Sinar Kencana (RSPO Non-Certified) | | Independent Supplier | - | - | 51,321.64 | |
| | CV Karya Sari (RSPO Non- | | Independent Supplier | - | - | 7,727.06 | |

| | | | | | | | | |
|-------|--|---|--|--|------------------------|------------------------------|----------------|---------------------|
| | Certified) | | | | | | | |
| | CV Bamega Perkasa (RSPO Non-Certified) | Independent Supplier | - | - | 24,578.94 | | | |
| | PT Mitra Nusa Permata - Sungai Manunggul Estate (RSPO Non-Certified) | Independent Supplier | - | - | 5,664.81 | | | |
| | Victor Hutapea (RSPO Non-Certified) | Independent Supplier | | | 7,021.77 | | | |
| | Henri (RSPO Non-Certified) | Independent Supplier | - | - | 15,596.34 | | | |
| | TOTAL | | | | 369,009.64 | | | |
| | *Production data source from January 2020 to June 2022 | | | | | | | |
| 1.7.4 | Product categories | | FFB, CPO, PK | | | | | |
| | | | | | | | | |
| 1.8 | Estimate Tonnage of Certified Product | | | | | | | |
| 1.8.1 | Past Annual Claim Certified Product | | Last Year Projected Certified Volume + Ext Volume (26 February 2020 – 25 August 2022) (MT) | Last Year Actual Certified Volume (January 2020 to June 2022) (MT) | | | | |
| | FFB Processed | | 288,151.28 | 269,969.20 | | | | |
| | CPO Production | | 66,613.38 | 51,537.97 | | | | |
| | Palm Kernel (PK) Production | | 13,917.48 | 13,119.52 | | | | |
| | | | | | | | | |
| 1.8.2 | Product selling | | | | | | | |
| | Type of selling product | Actual selling product for last year (January 2020 to June 2022) (MT) | | | | | | |
| | CSPO sold as RSPO certified product | 44,930.85 | | | | | | |
| | CSPK sold as RSPO certified product | 13,117.36 | | | | | | |
| | CSPO sold under another scheme | 6,189.14 | | | | | | |
| | CSPK sold under another scheme | 0 | | | | | | |
| | CSPO sold as conventional | 0 | | | | | | |
| | CSPK sold as conventional | 0 | | | | | | |
| | | | | | | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | | | |
| | Name of Estates | Total Area (Ha) | Production Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | | | |
| | Batu Ampar Estate | 3,971.08 | 3,060.17 | 45,000 | 14.71 | | | |
| | Batu Mulia Estate | 2,929.04 | 1,904.05 | 10,000 | 5.25 | | | |
| | TOTAL | 6,900.12 | 4,964.22 | 55,000 | 11.08 | | | |
| | *Projected FFB production for 12 months of certificate | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO Out put (tonnes) | Extraction (%) | Palm Kernel Out put (tonnes) | Extraction (%) | Supply Chain Module |
| | Batu Ampar Mill | 60 | 55,000 | 11,000 | 20.00 | 2,750 | 5.00 | MB |

| | | | | | |
|---|--|--|--|----------------------------|-----------|
| | *Projected CSPO and CSPK production for 12 months of certificate | | | | |
| | | | | | |
| 1.9 | Other Certifications | | | | |
| | ISO 9001:2008 | | - | | |
| | ISO 14001: 2004 | | - | | |
| | OHSAS 18001:2007 | | - | | |
| | ISCC | | - | | |
| | Others | | ISPO (FMS40099) valid thru 29 November 2022 by SAI GobaI | | |
| | | | | | |
| 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 | | | | |
| Pangkalan Panji Mill (PT Sawit Mas Sejahtera) | 2013 | Sawit Mas Estate | 2013 | Sumatera Selatan Province | Certified |
| | | Sawit Mas Estate (HGU on progress – 2,291 Ha) | 2022 | | - |
| Bumi Sawit Mill (PT Bumi Sawit Permai) | 2013 | Bumi Sawit Estate | 2013 | Sumatera Selatan Province | Certified |
| | | Bumi Sawit Estate (HGU on progress – 773.39 Ha) | 2022 | | - |
| Muara Kandis Mill (PT Djuanda Sawit Lestari) | 2013 | Muara Tawas Estate | 2013 | Sumatera Selatan Province | Certified |
| | | Muara Kandis Estate | 2013 | | Certified |
| | | Muara Kandis Estate (HGU on progress – 418.49 Ha) | 2022 | | - |
| | | Muara Tawas Estate (HGU on progress – 57.7 Ha) | 2022 | | - |
| | | Smallholder (KKPA Pandawa) | 2022 | | - |
| Sungai Rungau Mill (PT Sumber Indah Perkasa) | 2013 | Sungai Rungau Estate | 2013 | Kalimantan Tengah Province | Certified |
| | | Sungai Seruyan Estate | 2013 | | Certified |
| | | Terawan Estate | 2013 | | Certified |
| | | Tangar Estate | 2013 | | Certified |
| | | Bukit Tiga Estate | 2013 | | Certified |
| Bukit Perak Mill (PT Bumi Permai Lestari) | 2013 | Bukit Perak Estate | 2013 | Bangka Belitung Province | Certified |
| | | Bukit Permata Estate | 2013 | | Certified |
| | | Bukit Permai Estate (PT Agrolestari Subur Sejahtera) | 2023 | | - |
| | | Bukit Lestari estate (PT Agrolestari Hijau Sentosa) | 2023 | | - |
| | 2013 | Tanjung Kembiri Estate | 2013 | Bangka Belitung Province | Certified |
| | | Tanjung Rusa Estate | 2013 | | Certified |

| | | | | | |
|---|------|--|------|---------------------------|-----------|
| Tanjung Kembiri Mill (PT Forestalestari Dwikarya) | | Tanjung Rusa Estate (HGU on process 48.81 Ha) | 2022 | | - |
| | | Tanjung Sawit Estate (PT Palmindo Biliton Berjaya) | 2023 | | - |
| | | Tanjung Sawit Plasma (PT Palmindo Biliton Berjaya) | 2023 | | - |
| | | Tanjung Rusa KKPA | 2023 | | - |
| Sungai Buaya Mill (PT Sumber Indah Perkasa) | 2014 | Sungai Buaya Estate | 2014 | Lampung Province | Certified |
| | | Sungai Buaya Estate (HGU on process – 155.46 Ha) | 2022 | | - |
| | | Smallholder (KKPA Gedung Aji Lama) | 2014 | | Certified |
| | | Smallholder (KKPA Mesuji) | 2014 | | Certified |
| Sungai Merah Mill (PT Sumber Indah Perkasa) | 2014 | Sungai Merah Estate | 2014 | Lampung Province | Certified |
| | | Sungai Merah Estate (HGU on process – 241.54 Ha) | 2022 | | - |
| | | Smallholder (KKPA Gedung Aji Baru) | 2014 | | Certified |
| Kasuari Mill (PT Sinar Kencana Inti Perkasa) | 2023 | Cendrawasih Estate | 2023 | Papua Province | ST-1 |
| | | Nuri Estate | 2023 | | ST-1 |
| | | Rajawali Estate | 2023 | | ST-1 |
| | | Mambruk Estate (PT Sumber Indah Perkasa) | 2023 | | ST-1 |
| Pekawai Mill (PT Agrolestari Mandiri) | 2022 | Kayung Estate | 2022 | Kalimantan Barat Province | ST-1 |
| | | Pekawai Estate | 2022 | | ST-1 |
| | | Sungai Kelik Estate | 2022 | | ST-1 |
| | | Nanga Tayap Estate | 2022 | | ST-1 |
| | | Smallholder (Kayung Plasma) | 2023 | | ST-1 |
| Kenanga Mill (PT Kencana Graha Permai) | 2014 | Kencana Estate | 2015 | Kalimantan Barat Province | Certified |
| | | Cendana Estate | 2015 | | Certified |
| | | Kenanga Estate (PT Cahaya Nusa Gemilang) | 2022 | | - |
| | | Delima Estate (PT Kencana Graha Permai) | 2022 | | - |
| | | Smallholder (Kencana Plasma) | 2023 | | - |

| | | | | | |
|--|------|--|------|-----------------------------|-----------|
| | | Smallholder (Kenanga Plasma) | 2023 | | - |
| Perdana Mill (PT Binasawit Abadi Pratama) | 2023 | Perdana Estate | 2023 | Kalimantan Tengah Province | ST-1 |
| | | Langgana Estate | 2023 | | ST-1 |
| | | Semandau Estate | 2023 | | ST-1 |
| | | Muara Dua Estate | 2023 | | ST-1 |
| Kuayan Mill (PT Agrokarya Prima Lestari) | 2023 | Bukit Santuhai Estate | 2023 | Kalimantan Tengah Province | ST-1 |
| | | Tajur Beras Estate | 2023 | | ST-1 |
| | | Serantau Estate | 2023 | | ST-1 |
| | | Sungai Sambon Plasma | 2023 | | - |
| | | Sapiri Estate (PT Buana Adhitama) | 2023 | | ST-1 |
| | | Sapiri Plasma | 2023 | | - |
| | | Bukit Dua Estate (PT Buana Adhitama) | 2023 | | - |
| Belian Mill (PT Paramitra Internusa Pratama) | 2022 | Belian Estate | 2022 | Kalimantan Barat Province | ST-1 |
| | | Tengkawang Estate | 2022 | | ST-1 |
| | | Muara Tawang Estate (PT Kartika Prima Cipta) | 2022 | | ST-1 |
| | | Kapuas Hulu Estate (PT Persada Graha Mandiri) | 2022 | | ST-1 |
| | | Sungai Beran Estate (PT Persada Graha Mandiri) | 2022 | | ST-1 |
| | | Smallholder (Belian KKPA) | 2023 | | - |
| | | Smallholder (Muara Tawang KKPA) | 2023 | | - |
| | | Smallholders (Kapuas Hulu KKPA) | 2023 | | - |
| Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa) | 2020 | Sungai Kupang Estate | 2020 | Kalimantan Selatan Province | Certified |
| | | Sungai Kupang KKPA | 2023 | | - |
| Sungai Kikim Mill (PT Sawit Mas Sejahtera) | 2022 | Sungai Kikim Estate | 2022 | Sumatera Selatan Province | - |
| | | Sungai Pangi Estate | 2022 | | - |
| | | Sungai Musi Estate | 2022 | | - |
| | | Sungai Saling Estate | 2022 | | - |
| | | Sungai Enim Estate (PT Bumi Sawit Permai) | 2022 | | - |
| | | Sungai Lematang Estate (PT Bumi Sawit Permai) | 2022 | | - |
| | | Sungai Bungur Estate (PT Prima Cipta Mandiri) | 2022 | | - |

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|---|------|---|------|-----------------------------|-----------|
| | | Sungai Lingsing Estate (PT Prima Cipta Mandiri) | 2022 | | - |
| Tangar Mill (PT Mitrakarya Agroindo) | 2023 | Sulin Estate | 2023 | Kalimantan Tengah Province | - |
| | | Sulin Plasma | 2023 | | - |
| | | Nahiyang Estate | 2023 | | - |
| | | Katayang Estate | 2023 | | - |
| Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) | 2023 | Sungai Magalau Estate | 2023 | Kalimantan Selatan Province | - |
| | | Senakin Estate | 2023 | | - |
| | | Sungai Manunggul Estate (PT Mitra Nusa Permata) | 2023 | | - |
| Jalemo Mill (PT Agro Lestari Sentosa) | 2023 | Jalemo Estate | 2023 | Kalimantan Tengah Province | - |
| | | Kajui Estate (PT Agro Lestari Sentosa) | 2023 | | - |
| | | Manuhing Estate (PT Agro Lestari Sentosa) | 2023 | | - |
| | | Manuhing KKPA | 2023 | | - |
| Sako Mill (PT Adi Tunggal Mahajaya) | 2023 | Mentaya Estate | 2023 | Kalimantan Tengah Province | ST-1 |
| | | Kuayan Estate | 2023 | | ST-1 |
| | | Sako Plasma | 2023 | | - |
| | | Sungai Ayawan Estate | 2023 | | - |
| | | Sungai Nusa Estate | 2023 | | - |
| Padang Halaban Mill (PT SMART Tbk) | 2011 | Padang Halaban Estate | 2011 | Sumatera Utara Province | Certified |
| | | Pernantian Estate | 2011 | | Certified |
| | | Adipati Estate | 2011 | | Certified |
| | | Kanopan Ulu Estate | 2011 | | Certified |
| Batu Ampar Mill (PT SMART Tbk) | 2012 | Batu Ampar Estate | 2012 | Kalimantan Selatan Province | Certified |
| | | Batu Mulia Estate | 2012 | | Certified |
| | | Sungai Panci Estate | 2012 | | Certified |
| | | Sungai Panci KKPA | 2012 | | Certified |
| Tanah Laut Mill (PT SMART Tbk) | 2012 | Tanah Laut Estate | 2012 | Kalimantan Selatan Province | Certified |
| | | Kintapura Estate | 2012 | | Certified |
| | | Kintapura Estate (HGU on process - 636.33 Ha) | 2022 | | - |
| Langga Payung Mill (PT Tapian Nadenggan) | 2012 | Langga Payung Estate | 2012 | Sumatera Utara Province | Certified |
| | | Paya Baung Estate | 2012 | | Certified |
| | | Normark Estate | 2012 | | Certified |
| Hanau Mill (PT Tapian Nadenggan) | 2012 | Hanau Estate | 2012 | Kalimantan Tengah Province | Certified |
| | | Tasik Mas Estate | 2012 | | Certified |
| | | Tanjung Paring Estate | 2012 | | Certified |
| | | Langadang Estate | 2012 | | Certified |

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|--|------|--|------|----------------------------|-----------|
| | | Medang Sari Estate (PT Satya Kisma Usaha) | 2023 | | - |
| Semilar Mill (PT Tapian Nadenggan) | 2013 | Semilar Estate | 2013 | Kalimantan Tengah Province | Certified |
| | | Sei Rindu Estate | 2013 | | Certified |
| | | Mandang Estate (PT Buana Arta Sejahtera) | 2013 | | Certified |
| | | Puri Estate (PT Buana Arta Sejahtera) | 2013 | | Certified |
| Jak Luay Mill (PT Tapian Nadenggan) | 2015 | Pantun Mas Estate | 2015 | Kalimantan Timur Province | Certified |
| | | Jak Luay Estate | 2015 | | Certified |
| | | Jak Luay KKPA | 2023 | | - |
| | | Long Buluh Estate | 2015 | | Certified |
| | | Long Buluh Estate (HGU on progress - 329.66 Ha) | 2023 | | - |
| | | Bukit Subur Estate | 2015 | | Certified |
| | | Bukit Subur Estate (HCV identification on process - 569.62 Ha) | 2023 | | - |
| | | Bukit Subur KKPA | 2023 | | - |
| Leidong West Mill (PT MP Leidong West Indonesia) | 2014 | Leidong West Utara Estate | 2014 | Bangka Belitung Province | Certified |
| | | Leidong West Selatan Estate | 2014 | | Certified |
| | | Bukit Intan Estate (PT Bumipermai Lestari) | 2014 | | Certified |
| | | Bukit Mas Estate (PT Bumipermai Lestari) | 2014 | | Certified |
| Muara Wahau Mill (PT Kresna Duta Agroindo) | 2014 | Muara Wahau Estate | 2014 | Kalimantan Timur Province | Certified |
| | | Gunung Kombeng | 2014 | | Certified |
| Gunung Kombeng Mill (PT Kresna Duta Agroindo) | 2022 | Gunung Kombeng KKPA | 2023 | Kalimantan Timur Province | - |
| Rantau Panjang (PT Kresna Duta Agroindo) | 2022 | Rantau Panjang Estate | 2022 | Kalimantan Timur Province | - |
| | | Rantau Panjang KKPA | 2023 | | - |
| Jelatang Mill (PT Kresna Duta Agroindo) | 2014 | Bangko Estate | 2014 | Jambi Province | Certified |
| Pelakar Mill (PT Kresna Duta Agroindo) | 2020 | Pelakar Estate | 2020 | Jambi Province | Certified |
| | | Batang Merangin Estate | 2020 | | Certified |
| | | Tiga Serumpun KKPA | 2023 | | - |
| Langling Mill (PT Kresna Duta Agroindo) | 2014 | Bangko Estate | 2014 | Jambi Province | Certified |
| | | Batang Gading Estate (PT Satya Kisma Usaha) | 2022 | | - |

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|--|------|---|------|-----------------------------|-----------|
| | | Batang Gading KKPA (PT Satya Kisma Usaha) | 2023 | | - |
| Sungai Bengkal Mill (PT Satya Kisma Usaha) | 2015 | Sungai Bengkal Estate | 2015 | Jambi Province | Certified |
| | | Sungai Bengkal Estate (RaCP process - 610.88 Ha) | 2023 | | - |
| | | Sungai Bengkal KKPA | 2015 | | Certified |
| | | Sungai Bengkal KKPA (RaCP process - 1,063.92 Ha) | 2023 | | - |
| | | Muara Kilis Estate | 2015 | | Certified |
| | | Muara Kilis Estate (RaCP process - 1,460.54 Ha) | 2023 | | - |
| | | Kilis KKPA | 2023 | | - |
| Bukit Kapur Mill (PT SMART Tbk) | 2022 | Bukit Kapur Estate | 2023 | Kalimantan Selatan Province | ST-1 |
| | | Sungai Cantung Estate | 2023 | | ST-1 |
| Samsam Mill (PT Ivomas Tunggal) | 2009 | Samsam Estate | 2009 | Riau Province | Certified |
| | | Samsam Estate (HGU on progress - 29.09 Ha) | 2022 | | - |
| | | Kandista Estate | 2009 | | Certified |
| | | Kandista Estate (HGU on progress - 158.46 Ha) | 2022 | | - |
| | | Palapa Estate | 2009 | | Certified |
| Libo Mill (PT Ivomas Tunggal) | 2009 | Libo Estate | 2009 | Riau Province | Certified |
| | | Nenggala Estate | 2009 | | Certified |
| | | Nenggala Estate (HGU on progress 419.9 Ha) | 2022 | | - |
| | | Sei Rokan Estate | 2009 | | Certified |
| | | Sei Rokan Estate (HGU on progress - 102.7 Ha) | 2022 | | - |
| | | Sungai Tapung Plasma | 2009 | | Certified |
| Ujung Tanjung Mill (PT Ivomas Tunggal) | 2009 | Ujung Tanjung Estate | 2009 | Riau Province | Certified |
| | | Ujung Tanjung Estate (HGU on progress - 557.3 Ha) | 2022 | | - |
| Naga Sakti Mill (PT Buana Wiralestari Mas) | 2010 | Naga Mas Estate | 2010 | Riau Province | Certified |
| | | Naga Mas Estate (HGU on process - 253.39 Ha) | 2022 | | - |
| | | Naga Sakti Estate | 2010 | | Certified |
| | | Naga Sakti Estate (HGU on process - 59.79 Ha) | 2022 | | - |
| | | Rama Bakti Estate | 2010 | | Certified |

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|--|------|--|------|-----------------------------|-----------|
| Kijang Mill (PT Buana Wiralestari Mas) | 2010 | Kijang Estate | 2010 | Riau Province | Certified |
| | | Kijang Estate (HGU on process – 56.07 Ha) | 2022 | | - |
| | | Kijang Kencana Plasma | 2010 | | Certified |
| Ramarama Mill (PT Ramajaya Pramukti) | 2010 | Ramarama Estate | 2010 | Riau Province | Certified |
| | | Ramarama Estate (HGU on process – 318.76 Ha) | 2022 | | - |
| | | Amartajaya Plasma | 2010 | | Certified |
| | | Smallholder (Ramarama KKPA) | 2023 | | - |
| Indrasakti Mill (PT Meganusa Inti Sawit) | 2011 | Indralestari Estate | 2011 | Riau Province | Certified |
| | | Indrasakti Estate | 2011 | | Certified |
| | | Indragiri Plasma | 2011 | | Certified |
| | | Indrasakti Plasma | 2011 | | Certified |
| Bumipalma Mill (PT Bumipalma Lestari Persada) | 2012 | Bumi Lestari Estate | 2012 | Riau Province | Certified |
| | | Bumi Palma Estate | 2012 | | Certified |
| | | Bumi Sentosa Estate | 2012 | | Certified |
| | | Bumi Palma Estate (HGU on process – 39.21 Ha) | 2022 | | - |
| | | Kharisma Estate (PT Kharisma Riau Sentosa Prima) | 2023 | | - |
| | | Kharisma Plasma (PT Kharisma Riau Sentosa Prima) | 2023 | | - |
| | | Mandian Jaya Plasma (PT Meganusa Inti Sawit) | 2023 | | - |
| Sawita Mill (PT Sawitakarya Manunggul) | 2022 | Sawita Estate | 2022 | Kalimantan Selatan Province | ST-1 |
| | | Pamukan Estate | 2022 | | ST-1 |
| | | Sawita KKPA | 2023 | | ST-1 |
| Kenari Mill (PT Bangun Nusa Mandiri) | 2023 | Gaharu Estate (PT Bangun Nusa Mandiri) | 2023 | Kalimantan Barat Province | - |
| | | Kenari Estate (PT Bangun Nusa Mandiri) | 2023 | | ST-1 |
| | | KerANJI Estate (PT Bangun Nusa Mandiri) | 2023 | | ST-1 |
| | | Smallholder (Gaharu Plasma) | 2023 | | - |
| | | Smallholder (Kenari Plasma) | 2023 | | - |
| Sungai Air Jernih Mill (PT Bahana Karya Semesta) | 2023 | Sungai Air Jernih Estate | 2023 | Jambi Province | - |
| | | Sungai Mentawak Estate | 2023 | | - |
| | | Sungai Mentawak KKPA | 2023 | | |

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|--|------|---|------|---------------------------|---|
| | | Sungai Merak Estate | 2023 | | - |
| | | Sungai Badak Estate | 2023 | | - |
| Sungai Perak Mill (PT Kruing Lestari Jaya) | 2023 | Sungai Perak Estate | 2023 | Kalimantan Timur Province | - |
| | | Sungai Basung Estate | 2023 | | - |
| | | Sungai Pikan Estate | 2023 | | - |
| | | Sungai Pulos Estate | 2023 | | - |
| | | Sungai Pikan Plasma | 2023 | | - |
| | | Sungai Pikan Plasma | 2023 | | - |
| Sungai Kedang Mill (PT Harapan Rimba Raya) | 2023 | Sungai Kedang Estate | 2023 | Kalimantan Timur Province | - |
| | | Sungai Tohan Estate | 2023 | | - |
| | | Kedang Pahu Estate | 2023 | | - |
| | | Sungai Pahu Estate (PT Rimba Rayatama Jaya) | 2023 | | - |
| | | Sungai Tohan Plasma | 2023 | | - |
| | | Sungai Pahu Plasma (PT Rimba Rayatama Jaya) | 2023 | | - |

TBP is approve on January 2022.

There is revision of timebound plan on 17 January 2022 made by Head of Operations Sustainability. There are justification for mills and estates that postpone, with explanation:

- Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2022 due to the SHM process.
- Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2023 due to the SHM process.
- Tanjung Sawit Estate dan Tanjung Sawit KKPA (PT Palmindo Biliton Berjaya) are postponed to 2023 due to still in process for HGU and land rights (SHM)
- Kasuari Mill and supply bases are postponed to 2023 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse
- Pekawai Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented
- Kayung KKPA supply base of Pekawai Mill are postponed to 2023 due to still in process for land rights (SHM).
- Kenanga Estate (PT Cahaya Nusa Gemilang) dan Delima Estate (PT Kencana Graha Permai) are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2023 due to still in process for land rights (SHM).
- Perdana Mill and supply bases are postponed to 2023 due to still in process for HGU
- Kuayan Mill and supply bases are postponed to 2023 due to still in process for HGU
- Belian Mill and supply bases are postponed to 2022 due to pandemic covid-19 so that on-site audit in 2021 cannot be implemented.
- Belian KKPA, Muara Tawang KKPA and Kapuas Hulu KKPA supply base of Belian Mill are postponed to 2023 due to still in process for land rights (SHM).
- Sungai Kupang KKPA supply base of Sungai Kupang Mill are postponed to 2023 due to still in process for land rights (SHM).
- Sungai Kikim Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision.
- Tangar Mill and supply bases are postponed to 2023 due to still in process for HGU.
- Sungai Magalau Mill and supply bases and supply bases are postponed to 2022 due to still in process for HGU and RaCP (LUCA review).
- Jalemo Mill and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Sako Mill and supply bases are postponed to 2023 due to still in process for HGU.

- Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2023 due to still in process for HGU.
- Jak Luay KKPA and Bukit Subur KKPA supply base of Jak Luay Mill are postponed to 2023 due to still in process for land rights (SHM).
- Gunung Kombeng KKPA supply base of Gunung Kombeng Mill are postponed to 2023 due to still in process for land rights (SHM).
- Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2023 due to still in process for land rights (SHM).
- Tiga Serumpun KKPA supply base of Pelakar Mill are postponed to 2023 due to still in process for land rights (SHM).
- Batang Gading Estate supply base of Langling Mill are postponed 2022 due to still in process for RaCP (LUCA review).
- Batang Gading KKPA supply base of Langling Mill are postponed to 2023 due to still in process for land rights (SHM).
- Kilis KKPA supply base of Sungai Bengkal Mill are postponed to 2023 due to still in process for land rights (SHM).
- Bukit Kapur Mill and supply bases are postponed to 2023 due to still in process for HGU.
- Rama-Rama KKPA are postponed to 2023 due to still in process for land rights (SHM).
- Sawita Mill and supply bases are postponed to 2022 due to still in process for HGU.
- Sawita KKPA supply base of Sawita Mill are postponed to 2023 due to still in process for land rights (SHM).
- Kenari Mill and supply bases are postponed to 2023 due to the mill is fully operational in 2021.
- Sungai Air Jerneh Mill and supply bases are postponed to 2023 due to still in process for legality documents.

Then there are additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 plasma/KKPA) and have been included in the timebound plan to be certified in 2023, with the following details:

1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA.
2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA.
3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya).
4. PT Agrolestari Subur Sejahtera (previously the company name is PT Bumi Permai Surya Lestari): Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
5. PT Agrolestari Hijau Sentosa (previously the company name is PT Bumi Bangka Lestari): Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified.
6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified.
7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).

There are some companies that are not fully certified, due to some area still on process to get land title (HGU) and RaCP process, consist of:

- PT Sawit Mas Sejahtera (Sawit Mas Estate)
- PT Bumi Sawit Permai (Bumi Sawit Estate)
- PT Djuanda Sawit Lestari (Muara Kandis Estate & Muara Tawas Estate).
- PT Forestalestari Dwikarya (Tanjung Rusa Estate);
- PT Sumber Indah Perkasa (Sungai Merah Estate and Sungai Buaya Estate).
- PT SMART Tbk (Kinta Pura Estate)
- PT Tapan Nadenggan (Long Buluh Estate and Bukit Subur Estate)
- PT Ivomas Tunggal (Samsam Estate, Kandista Estate, Nenggala Estate, Sei Rokan Estate, Ujung Tanjung Estate);
- PT Buana Wiralestari Mas (Nagasakti Estate; Nagamas Estate and Kijang Estate);
- PT Rama Jaya Pramukti (Ramarama Estate);

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| | <ul style="list-style-type: none"> PT Satya Kisma Usaha (Sungai Bengkal Estate, Kilis Estate and Sungai Bengkal KKPA) PT Bumipalma Lestari Persada (Bumi Palma Estate) |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard |
| | The Company didn't have associated smallholders. |

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| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| ASA-1.3 + ASA-1.4 | <p>1. Hasiholan Sihombing (Lead Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. During this audit, he assigned to verify legal aspect, land dispute and SCCS.</p> <p>2. Rahmat Abdiansyah (Auditor). Indonesian citizen. Bachelor of Forestry from IPB University, with major in Forest Resources Conservation and Ecotourism. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&C in 2019 and 2020. During this assessment, he verified the aspects of environment, conservation and GHG aspect.</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, Has conduct audit in aspect BMP, OHS, Worker Welfare, and Transparency since 2020. In this audit activity was verified OHS and Best Management Practices Aspect.</p> <p>4. Mia Rahmah Qadryani (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture Majoring in Pest and Plant Disease, Universitas Padjadjaran. The training she has followed namely: ISO 9001, ISO 19011, Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 14001, Awareness ISO 45001, and Awareness ISO 19011. She has participated in several audit simulation activities related to the social and worker welfare. During this audit, she verified Worker Welfare and Transparencies supervised by Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p> |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA-1.3 + ASA-1.4 | <p>Number of auditors: 3 auditors and 1 trainee auditor</p> <p>Number of days for ASA-1.3 + ASA-1.4 Onsite Audit: 5 days</p> <p>Number of working days for ASA-1.3 + ASA-1.4 Onsite Audit: 15 Working days</p> |
| 2.2.2 | Assessment Process |
| ASA-1.3 + ASA-1.4 | <p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Tapian Nadenggan, Batu Ampar POM Unit Certification based on:</p> <ul style="list-style-type: none"> RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020 <p>Additional Documents:</p> <ul style="list-style-type: none"> Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020. |

The scope of certification of Batu Ampar POM consist of one mill (Batu Ampar Mill) and two estates (Batu Ampar Estate, and Batu Mulia Estate).

The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-1.3 + ASA-1.4 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment. Improvement of findings from ASA-1.3 (remote audit) findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.3 + ASA-1.4.

The opening meeting was held on 25 July 2022. As for the participants who attended the opening meeting included the Regional Head, Area Controller, Estate and Mill Managers, Support Team from Jakarta and other staff at Batu Ampar POM. Closing meeting was held on 29 July 2022 attended by the same participants as the opening meeting. Management PT Tapan Nadenggan accept all this audit results.

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

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix 1.

The assessment program please find Appendix 2.

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| 2.2.3 | Locations of Assessment |
| ASA-1.3 + ASA-1.4 | <p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>Batu Ampar Mill</p> <ul style="list-style-type: none"> • Security Post. Field observations and interviews related to labor and OSH aspects. • Weighbridge. Field observations and interviews related to employment aspects and SCCS • St. Grading. Field observations and interviews related to aspects of OHS, BMP and Employment. • St. Sterilizer. Field observations and interviews related to aspects of OHS, BMP and Employment. |

- **St. Boilers.** Field observations and interviews related to aspects of OHS, BMP and Employment.
- **St. engine room.** Field observations and interviews related to aspects of OHS, BMP and Employment.
- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.
- **Water Source Reservoir.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Empty bunch area.** Field observations related to empty bunch management.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Sparepart Warehouse.** Field observations and interview related sparepart management, OHS, and environmental aspect.
- **Chemical and Fuel warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
- **Workshop.** Field observations workshop activity, OHS, environmental and worker welfare aspect.
- **Solar Tanks.** Field observation of chemical management, OHS, and environmental aspect.

Batu Ampar Estate

- **Block D09 Division 1 (HGU Pole No. 66 and 67).** Observation the conditions and position of legal boundary.
- **Block D08 Division 1 (HGU Pole No. 65).** Observation the conditions and position of legal boundary.
- **Block D07 Division 4 (HGU Pole No. 62).** Observation the conditions and position of legal boundary.
- **Block B27 Division 1 (HGU Pole No. 183).** Observation the conditions and position of legal boundary.
- **Block A26 Division 1 (HGU Pole No. 184 and 26).** Observation the conditions and position of legal boundary.
- **Block B29 Division 1 (HGU Pole No. 29).** Observation the conditions and position of legal boundary.
- **Block I04 Division 2 (HGU Pole No. 148).** Observation the conditions and position of legal boundary.
- **Block D08 Division 1 (HCV Area – Proboscis Monkey Habitat).** Observation of HCV management
- **Block A26 Division 1 (HCV Area – Tidal Swamp).** Observation of HCV management
- **H06 Block Spray Activities.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **H08 Block Blank Application.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Fire Tower Block I5.** Field observations regarding the condition and suitability of the Fire Tower.
- **Land Application Block H09.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Replanting Area Planting Year 2021 Block H13.** Field observations related to the application of soil and water conservation.
- **Block G15 Harvesting Activities.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Spare part and PPE warehouse.** Observation minimum stock of PPE's.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Pesticide mixing area.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Diesel Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Fertilizer warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Firefighting warehouse and simulation of firefighting equipment.** Material handling observations for OHS and simulations.
- **Setangga River Border.** Observation of the HCV Area.
- **Clinic.** Observations and interviews of health, environmental, training, and employment facilities.
- **Workshop.** Observations and interviews with officers related to material handling, work procedures, OHS, wages

and environmental management.

- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Landfill Block H7 Division 2.** Observations related to domestic waste management.
- **Rinse House.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Daycare.** Observations and interviews with workers related to labor and OHS aspects.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.

Batu Mulia Estate

- **Block I41 Division 2 (HGU Pole No. 23, 24 and 20).** Observation the conditions and position of legal boundary.
- **Block G45 Division 3 (HGU Pole No. 13).** Observation the conditions and position of legal boundary.
- **Block F46 Division 3 (HGU Pole No. 12).** Observation the conditions and position of legal boundary.
- **Block F47 Division 3 (HGU Pole No. 98).** Observation the conditions and position of legal boundary.
- **Block F49 Division 3 (HGU Pole No. 04).** Observation the conditions and position of legal boundary.
- **Block F48 Division 3 (HGU Pole No. 05).** Observation the conditions and position of legal boundary.
- **Block E53 Division 3 (HGU Pole No. 106 and 107).** Observation the conditions and position of legal boundary.
- **Block H39 Division 1 (HCV Area – Sacred Tomb).** Observation of HCV management
- **Block E47 Division 3 (HCV Area – Tidal Swamp).** Observation of HCV management
- **Block F29 Spray Activities.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Block G35 Harvesting Activities.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Block E31 Harvesting Activities.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **G38 Block Manual Maintenance.** Field observations and interviews related to aspects of BMP, OHS, Environment and Employment.
- **Spare part and PPE warehouse.** Observation minimum stock of PPE's.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Pesticide mixing area.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Diesel Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Fertilizer warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Firefighting warehouse and simulation of firefighting equipment.** Material handling observations for OHS and simulations.
- **Clinic.** Observations and interviews of health, environmental, training, and employment facilities.
- **Workshop.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Landfill Block E34 Division 1.** Observations related to domestic waste management.
- **Rinse House.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Daycare.** Observations and interviews with workers related to labor and OHS aspects.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.

| | |
|--------------|--|
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| | <p>Summary of stakeholder consultation process for PT Tapian Nadenggan was held by:</p> <ul style="list-style-type: none"> • Public Notification on website on MUTU Website on 02 June 2022 • Public consultation meeting with government institution 26 July 2022 • Public consultation meeting with communities on 26 July 2021 • Public consultation meeting with internal stakeholders and contractors on 26 – 28 July 2022 • Public consultation with NGOs (by email) such as WALHI, WWF, AMAN, and Sawit Watch on 15 July 2022 <p>Numbers of input from stakeholders were clarified by PT Tapian Nadenggan.</p> |
| 2.3.2 | Stakeholder contacted |
| | Please find appendix 1 |
| 2.4 | Determining Next Assessment |
| | RC visit already combine with ASA-1.4 onsite assessment. |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Batu Ampar Palm Oil Mill – PT Tapian Nadenggan Subsidiary of Golden Agri Resources operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were zero (0) Nonconformity were assigned against Major Compliance Indicator; one (1) nonconformity were assigned against Minor Compliance Indicator and four (4) 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 Batu Ampar POM – PT Tapian Nadenggan Subsidiary of Golden Agri Resources 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 | | |
| Unit of certification showed SOP of communication and consultation (SOP/SMART/UMUM/SADV/II/004) validated on 1 July 2014 which explains the types of documents which are publicly accessible such as land certificates, OHS plans, environmental and social impact plans and assessments, HCV documentation, pollution prevention and reduction plans, complaints, negotiation procedures, continuous improvement plans, public summary reports on certification assessment, and human rights policy. These documents can be accessed by sending a request to the management. | | |
| 1.1.2 | | |
| Companies can show records of providing information to relevant agencies in the form of routine reports, for example: | | |
| Plantation Legality | | |
| <ul style="list-style-type: none"> Plantation progress report (LPUP) of PT Tapian Nadenggan period of Semester II 2021 has been sent to Plantation Agency of Kotabaru District on 26 January 2022. HGU utilization report of PT Tapian Nadenggan for the period of 2021 has been sent to Land Agency of Kotabaru District on 28 December 2021 | | |
| OHS and Fire Aspects: | | |
| <ul style="list-style-type: none"> Proof of sending the Special Health Examination Report for the First Semester of 2022 (BAME) to the Manpower and Transmigration Office of Kalimantan Selatan Province on April 7, 2022. Proof of sending the 2022 Health Examination Report (BMLE) to the Manpower and Transmigration Office of Kalimantan Selatan Province on 26 April 2022. Proof of sending the BAME Emergency Response Team Activity Report for semester 1 of 2022 to the Kotabaru District Agriculture Office on June 15, 2022, in the report informing about monitoring the condition of emergency preparedness and response tools every month, fire patrol reports through monitoring towers, Fire Hazard Maps and Emergency Response Team structures. Proof of sending the BMLE Emergency Response Team Activity Report for semester 1 of 2022 to the Kotabaru District Agriculture | | |

Office on June 22, 2022, in the report informing about monitoring the condition of emergency preparedness and response tools every month, identifying the level of vulnerability to land fires, patrolling fire-prone areas,

- Proof of sending the BMM Q4 2021 OHS Committee report to the Manpower and Transmigration Office of Kalimantan Selatan Province on January 24, 2021.
- Proof of sending the OHS Committee report for the first quarter of 2022 BAME to the Manpower and Transmigration Office of Kalimantan Selatan Province on April 26, 2022.
- Proof of sending the first quarter 2022 BMLE OHS Committee report to the Manpower and Transmigration Office of Kalimantan Selatan Province on 26 April 2022.

Companies can show mandatory environmental aspects reporting documents to the competent authorities, such as:

- The report on the implementation of the RKL-RPL semester 1 of 2021 is reported to the Kotabaru District Environmental Service on July 5, 2021.
- The report on the implementation of the RKL-RPL semester 2 of 2021 is reported to the Kotabaru District Environmental Service on January 31, 2022.
- The POME monitoring report for Quarter 3 of 2021 is reported to the Kotabaru District Environmental Service on January 31, 2022.
- The POME monitoring report for Quarter 4 of 2021 is reported to the Kotabaru District Environmental Service on 03 February 2022.
- The POME monitoring report for Quarter 1 of 2022 is reported to the Kota Baru District Environmental Office on 10 May 2022.
- PT Tapian Nadenggan's report on the management of hazardous and toxic hazardous and toxic materials for the third quarter of 2021, reported to the Kotabaru District Environmental Service on January 31, 2022.
- PT Tapian Nadenggan's report on the management of hazardous and toxic waste for Quarter 4 2021, reported to the Kotabaru District Environmental Service on February 3, 2022.
- PT Tapian Nadenggan's report on the waste management of hazardous and toxic materials for the first quarter of 2022 was reported to the Kotabaru District Environmental Service on 10 May 2022.

UoC also showed the mandatory report submitted related to worker welfare in accordance with its period, here as follows:

- Reporting of Employment Report for Batu Ampar Estate via online in 2022 on 5 July 2022 and must be reporting back on 5 July 2023.
- Reporting of Employment Report for Batu Ampar Mill via online in 2022 on 8 April 2022 and must be reporting back on 8 April 2023.

Based on the document review, all documents and information which are publicly accessible (mentioned in 1.1.1) are provided in Bahasa and understandable by each stakeholder.

1.1.3

Unit of certification showed SOP of communication and consultation (SOP/SMART/UMUM/SADV/II/004) validated on 1 July 2014 which explains the PIC of handling information, publicly accessible documents, the flow of handling information requests, and the maximum time limit of responding to the information request which is 10 days since the date of information request received.

UoC had recorded every requested information on a logbook of incoming and outgoing letters. Based on document verification, it was found that during 2021-2022 all incoming letters are requests for funds and the company has responded to the fund request. UoC only showed outgoing letters which are the company's report to each stakeholder according to its period, not as the respond to incoming letters.

Based on the interview with villagers, they have understood mechanism of communication and consultation. Normally, headman of the village or communities would send a letter as a form of communication.

1.1.4

UoC also showed the record of the socialization regarding the SOP mentioned in 1.1.1 on 21 February 2022 attended by every stakeholder such as: contractor workers, smallholder workers, and communities. In addition, based on the interviews with the villagers, labor union and gender committee, it is known that they had a good understanding of communication and consultation procedures.

1.1.5

UoC showed the current list of stakeholders which informed the internal and external stakeholders updated on 15 June 2022. The stakeholders include the government agencies, heads of the community, cooperatives, local suppliers, contractors, and labor union organizations. In the current list of stakeholders, it was also explained the names, agencies/positions, addresses, categories and contact person numbers.

During the assessment, auditor has verified the list of stakeholder by calling the contact person randomly to ensure the validity of its contact person put in the list of stakeholder.

Status: Comply

1.2

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

1.2.1

Unit of certification had a policy concerning on code of integrity and ethical behavior in all operational activities and transactions. This policy stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. It's explained that, the group committed to not employ underage workers, prohibit all workers from corruption, bribery and fraudulent use of funds and resources, prohibit any forced labor and human trafficking, etc.

UoC's code of ethics had been socialized to the workers, smallholder workers and contractors, for example:

- Batu Mulia Estate had carried out socialization on 29 October 2021 attended by 54 workers and contractor workers.
- Batu Ampar Mill had carried out socialization on 4 February 2022 attended by 18 workers.

This policy has been implemented by the company in all business operations and transactions including recruitment and employment contracts. Code of ethics (anti-corruption and anti-bribery) are stated in every work agreement letter of third parties (contractors) and workers. Based on the interview with workers and contractor workers, it's known that they had a good understanding towards the code of ethics policy.

1.2.2

A comprehensive system for monitoring compliance and implementation of ethical business policies and practices was carried out through the Operational Internal Audit (OIA). UoC also showed the mechanism in implementation UoC's policy as state on the agreement that the parties have to be fulfil the existing regulation such as do not employ any child labor, prohibit any corruptions and frauds, and disallowance of forced labor.

Based on the interviews with workers in mill and estate, they worked in the company wasn't through any agent or labor supplier and there were no any fees during recruitment.

UoC also showed some SOPs related to monitor the compliance and implementation of ethical business practices, here as follows:

- Policy of recruitment (KHI-smart/001-1) validated on 01 March 2018 by the Managing Director Human Resource which stated that there was no cost in recruitment process. The company had guaranteed the cost of recruitment if there were any migrant worker.
- SOP of handling grievance and dissatisfaction (No. SOP/SMART/GIMS-SCMD/USDV/II/001) validated on 11 April 2017 which stated that the company guaranteed the freedom of speech by keeping the identity of the employee confidentially.

Based on the management review and internal audit document, there were no violation against the UoC's ethical codes.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The company has list of regulations of 2022 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as:

Land legality

- The company shown evidences over its compliance toward the applicable regulation related to the aspects of land legality such as:
1. Plantation Business Registration Letter (*SPUP*) No. 464/Menhutbun-VII/2000, dated April 25, 2000 issued by the Minister of Forestry and Plantations, with details:
 - Company Name: PT Inti Gerak Maju
 - Area: 7,648.71 Ha (for Batu Mulia and Batu Ampar Estates)
 - Crop Type: Oil Palm, Hybrid Coconut
 - Location: Batulicin and Kelumpang Selatan sub-districts, Kotabaru District, Kalimantan Selatan Province.
 Based on the Approval of the Deed of Amendment to the Articles of Association of the Limited Liability Company dated November 30, 2004, PT Inti Gerak Maju merged with PT Tapian Nadenggan to become PT Tapian Nadenggan.
 2. Decree of the Regent of Kotabaru, No. 188.45/348/KUM/2011 dated October 11, 2011, regarding the Granting of a Plantation Business Permit covering an area of 1,747 Ha to PT Tapian Nadenggan I in Kotabaru District. This IUP is an integral part of the Plantation Business Registration Letter No. 464/Menhutbun-VII/2000 covering an area of 7,648.71 Ha with oil palm plantations and industrial plantations (Production Processing Units) with a capacity of 60 tons of FFB/hour.

OHS Aspects and Best Management Practice

- Do not clear land by burning.
- Have adequate fire prevention facilities and infrastructure.
- Having an OHS Committee organization equipped with an OHS Committee secretary who already has a Decree of OHS General Expert.
- Have carried out health checks on all workers.
- Already have a license and certificate of personnel in accordance with the tools and machines that operate.
- Provide PPE to all workers.

Best Management Practice

- The company has carried out land clearing and land management without burning.
- The company has used registered pesticides.
- The company has carried out chemical management in accordance with applicable regulations.

Manpower Aspect:

- UoC has implemented a minimum wage and the fulfillment of overtime wages
- UoC already has and implements a pay scale structure
- There was no illegal labor, underage labor and forced labor systems.

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

- The company already has a permit for temporary storage of hazardous and toxic waste in accordance with the Permit of the Regent of Kota Baru Number 503/0832/PSLB3-P-DPMPTSP/2020 concerning the permit for temporary storage of hazardous and toxic waste (B3) PT Tapian Nadenggan in Kelurahan/Desa Tegal Rejo, Kelumpang Hilir Sub District, Kotabaru District, Kalimantan Selatan Province on September 29, 2020 with a validity period of 5 years, namely until September 28, 2025.
- The company already has a surface water utilization permit based on the Surface Water Utilization Permit (SIPA) No. 503/15/SIPA/DS-DPMPTSP/VI/2020 from the Investment and One Stop Service Office of Kalimantan Selatan Province on 18 June 2020 which is valid from 1 August 2020 to 31 July 2023.
- The Company already has Environmental Documents listed in the AMDAL Document (Andal, RKL and RPL) for Hybrid Coconut, Oil Palm and Rubber Plantations as well as Hybrid Coconut and Oil Palm Processing Factory PT Inti Gerak Maju in Batu Licin and Kelumpang Selatan Districts (IGM I), Kelumpang Hulu and Kelumpang Tengah Subdistricts (IGM II), Kotabaru District, Kalimantan Selatan Province. The AMDAL document has been approved in accordance with the Decree of the Minister of Agriculture of the Republic of Indonesia Number 15/ANDAL/RKL-RPL/BA/IV/1998 on April 30, 1998. Batu Ampar POM, Batu Ampar Estate, and Batu Mulya Estate are included in IGM I.
- The company already has a technical recommendation letter for the extension of the liquid waste utilization permit based on the Decree of the Kotabaru Regent No. 660/035/BLHD/2016 dated December 27, 2016 concerning Utilization of Wastewater in Soil at PT SMART Tbk's Oil Palm Plantation Located in Serongga Village, Kelumpang Hilir Sub District, Kotabaru District, which is valid for 5 (five) years. The company has sent a letter of application for an extension and a directive on technical approval for the fulfillment of wastewater quality standards for use on oil palm plantations on 27 December 2021 to the Kotabaru District

Environmental Service. Furthermore, the company can show a reply letter from the Kotabaru District Environmental Service with Number 660/34/DLH-PTKL/I/2022 on January 11, 2022 regarding the technical approval process for fulfilling wastewater quality standards. The letter explains that:

1. In the implementation of the Minister of Environment and Forestry Regulation No. 5 of 2021, it is stated that every business / activity that is required to be AMDAL or UKL-UPL that carries out activities for the disposal or utilization of waste water is required to have technical approval and SLO.
2. Licensing for the use of waste water on the PT Tapan Nadenggan - Batu Ampar Mill which was previously owned for integrated adjustments with environmental documents provided that the use of wastewater has included technical standards for fulfilling wastewater quality standards.
3. The adjustment is carried out by compiling a technical study on the utilization of waste water to the ground as contained in the Minister of Environment and Forestry Regulation No. 5 of 2021 as a requirement for the application for technical approval and SLO.

Then the company can show a follow-up to the letter from the Kotabaru District Environmental Service by sending a letter of application for the issuance of technical approval for the use of waste water for application to land with letter number 003/DL-TN/VI/2022 on June 29, 2022 and has been sent on 30 June 2022 and has been received by the Kotabaru District Environmental Service with proof of receipt. The letter also includes the following documents:

- Document of technical study on the use of waste water for application to the ground in accordance with the attachment of Minister of Environment and Forestry No. 5 of 2021
- Letter of recommendation from Serongga Village and Kelumpang Hilir Sub District.

Until the recertification assessment is carried out, the technical approval for the use of waste water on the soil and the SLO from the Kotabaru District Environmental Service has not yet been issued. The company has the opportunity to ensure that the process of issuing technical approvals for the use of waste water on soil and SLO from the Kotabaru District Environmental Service is positive. (OFI).

2.1.2

Procedure of legal requirement which presented in document SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014 mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the sustainability officer required to actively check and make coordination with Government Agencies or Institutions. Internal audit of regulations compliance is conducted annually as example on 18 - 26 April 2022 in PT Tapan Nadenggan. Regarding the evidence of evaluation of legal compliance from contractors collaborating with the company, is explained in more detail in indikator 2.2.2

2.1.3

Procedure of legal boundary stakes monitoring and maintenance is presented in document No. SOP/SMART/CERS-EHSD/SADV/II/004 dated 1 July 2014. Procedure mentioned that maintenance was carried out by foreman with supervision of Assistant Manager. Monitoring the boundaries of the HGU is done every 3 months.

The company shows the HGU stake monitoring document which is carried out every 3 months. The last HGU stake monitoring was carried out for example in March 2022 at Batu Ampar Estate and June 2022 at Batu Mulia Estate. The report on the inspection and maintenance of the boundary stakes has provided complete information regarding the number of stakes, the state of the stakes, the location of the stakes, the coordinates of the stakes and corrective actions as well as the target time for repairs if there are damaged or missing stakes. In the monitoring report, it is known that all HGU stakes are available, except for HGU stakes located in areas where mining activities already exist (the area has been excluded from the scope of certification).

Based on field observations to several samples of HGU stakes determined by the auditors, namely Batu Ampar Estate (Stakes No. 26, 29, 62, 65, 66, 67, 148, 183 and 184) and Batu Mulia Estate (Stakes No. 04, 05, 12, 13, 20, 23, 24, 98, 106, 107), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. Land boundaries with outsiders are clear, such as a large boundary road and trench that borders the HGU area. There is no indication of land use outside the HGU.

Status: Comply

2.2

All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.
2.2.1

In monitoring the existence of contractors for plantation and mill activities, UoC had well-documented the list of contractors, type of business, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. The contractors collaborate in the activities of operational vehicles rental such as CPO, FFB, and Kernel transport, here as follows:

- PT. Satrindo Jaya Agropalma: Cooperating in FFB and CPO transport with 126 total contractor workers.
- PT. Sarana Lintas Bersama: Cooperating in kernel transport with 14 total contractor workers.

The number of contractor workers was 140 workers while the company workers was 1,071 workers.

In managing the contractor, the certification unit has a copy of the collaboration agreement in each unit. For example, for agreement between two parties, such as:

- Work Agreement of PT. Satrindo Jaya Agropalma (No. BMLE/EST/01/22/001-Akt.TBS) for cooperating in FFB transport dated on 2 January 2022 which is valid for a year (2 January 2022 to 31 December 2022).
- Work Agreement of PT. Satrindo Jaya Agropalma (No. 003/SP/TN/BAMM/12/2018--PK) for cooperating in Palm Kernel transport dated on 21 November 2018 which is valid for 4 years (21 November 2018 to 20 November 2018).

The contractor list has been in-line with the information in stakeholder list. Auditor has verified by calling the contractor by the contact number put in stakeholder list. The explanation above can be concluded that the UoC has managed and documented the list of contractors along with its supporting documents.

2.2.2

UoC showed that there were several separate clauses on the work agreement between the company and the contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' health and social security insurance, the provision of minimum wages, the obligation to use PPE, other permits such as tax payment, vehicle licenses (STNK), driver license (SIM) and others. To ensure the compliance with these clauses, UoC always requests the requirements for the completeness before the contractor does work.

In addition, UoC has carried out an evaluation of each contractor to see the performance of the contractors and the compliance of the contractors to the existing regulation, for example the evaluation of PT. Sarana Lintas Bersama on 7 June 2022. There were several important indicators in the evaluation including work quality, punctuality, compliance with manpower regulations and laws, compliance with environmental regulations and laws, and compliance with the UoC's ethical business.

Based on the interviews with contractor, contractor workers, and documents verification, it's revealed that workers had received wages above the minimum wage and were registered in the BPJS program. For example:

- Proof of payment of wages period of May 2022 for Satriando Jaya Agropalma workers in Batu Ampar Mill on behalf of IS, SK, and SH (initial) who received wages above the minimum wage.
- BPJS *Ketenagakerjaan* (Social Security Insurance) payments for PT. Santrindo Jaya Agropalma contractor workers in Batu Ampar Mill for 126 total contractor workers, have been completely fulfilled and the last proof of payment is on 25 May 2022 for period of May 2022.
- BPJS *Kesehatan* (Health Insurance) payments for all contractor workers in Batu Ampar Mill for 126 total contractor workers, have been completely fulfilled and the last proof of payment is on 12 May 2022 for period of May 2022.

2.2.3

UoC showed that on each work agreement between the unit of certification and the contractor, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to UoC's commitment against forced labour, underage worker, and not to employ workers from human trafficking (stated in 11th clause).

To ensure compliance with these clauses, the company always requests the requirements for the completeness before the contractor does work and make sure the contractor signed the written statement called *Pakta Integritas* when the work agreement started.

Based on the document review and the field observation, it revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. Based on the interviews with contractor, contractor

workers, and documents verification, it revealed that they had a good understanding related to the minimum age of worker, the prohibition of forced labor and the human trafficking.

Status: Comply

2.3

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

2.3.1

Based on document verification, it is known that the company received FFB directly from the nucleus estate and the Sinarmas Group company. The sources of FFB come from:

- Batu Ampar Estate which is RSPO Certified
- Batu Mulia Estate which is RSPO Certified
- Sungai Panci Estate, which is part of the Sinarmas group and is RSPO Certified
- Sungai Panci Plasma which is part of the Sinarmas group and is RSPO Certified

2.3.2

Based on document verification, it is known that the company also receives FFB indirectly from agents and groups of Independent Smallholders around the company. as for the source of FFB comes from:

- Kupang Jaya River Farmers Group Association
- Telagasari Farmers Group
- CV Bamega Perkasa
- Joy Anugrah Jaya
- CV Karya Sari

Companies can show geolocation information and proof of land ownership from FFB suppliers, for example as follows:

1. The Kupang Jaya River Farmers Group Association consisting of 24 farmers with a land area of 136.5 Ha with proof of land ownership in the form of all SKT. For example, geolocation information for farmers a.n H. Sahbih is 3°0'57.515" LS and 115°57'52.63" BT' east longitude'. H. Haidir is 2°3'14.732 LS dan 115°58'28.127" BT.
2. Telagasari farmer group consisting of 33 farmers with a land area of 50 ha with proof of land ownership in the form of all SHM. For example, geolocation information for farmers a.n I Putu Sudita is 3°09'38.625 LS and 115°58'34.418" BT. Wayan, namely 3°09'32.052 LS and 115°58'30.735"BT.
3. CV Karya Sari which consists of 21 farmers with a land area of 242.75 Ha with proof of land ownership in the form of 2 Farmers in the form of SHM and the other in the form of SKT. For example, geolocation information for farmers a.n Haris Fadhlila Akbar is 3°09'30.374" LS and 115°58'29.129" BT. Abdullah is 3°07'55.070 LS and 116°02'17.649"BT.

Based on the results of interviews with the Sungai Kupang Jaya Farmers Group Association and CV Bamega, it is known that the company has taken the coordinates of the member farmers' plantations. In addition, the legality of member farmers' lands is in the form of SHM and SKT and is not located in a forest area. The following are examples of SHM land owners, namely: Certificate of Ownership No. 00542 on behalf of B. Purwanto, 2.00 Ha and Certificate of Ownership No. 00690 on behalf of Muhammad Elmi, 0.97 Ha (Kupang Jaya River).

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 a year plan that informs Production Projections (FFB, CPO and PK), price estimates, and financial indicators. For example, the period 2022 - 2026 as follows:

| Descriptions | Unit | 2022 | 2023 | 2024 | 2025 | 2026 |
|-----------------|------|--------|--------|--------|--------|--------|
| FFB Production: | | | | | | |
| BMLE | Ton | 25,455 | 36,414 | 46,631 | 52,472 | 61,685 |
| BAME | Ton | 55,530 | 58,306 | 63,150 | 57,602 | 60,107 |

| | | | | | | |
|--------------------------|--------|---------|---------|---------|---------|---------|
| SPNE | Ton | 41,571 | 38,255 | 33,984 | 37,224 | 43,243 |
| SPNA | Ton | 23,119 | 26,265 | 17,082 | 19,172 | 22,812 |
| OER | % | 20 | 20 | 20 | 20 | 20 |
| KER | % | 5 | 5 | 5 | 5 | 5 |
| CPO Production | Ton | 29,135 | 31,848 | 32,169 | 33,294 | 37,569 |
| PK Productions | Ton | 7,284 | 7,962 | 8,042 | 8,324 | 9,392 |
| Projections of CPO Price | Rp/Ton | 9,699 | 9,904 | 9,496 | 10,304 | 10,510 |
| Projections of PK Price | Rp/Ton | 5,850 | 5,447 | 5,260 | 5,667 | 5,780 |
| Estate Expense | Rp/Ton | 204,465 | 218,760 | 231,978 | 255,863 | 286,400 |
| Mill Expense | Rp/Ton | 14,905 | 17,103 | 18,822 | 21,011 | 24,702 |
| Projections of Profit | Rp/Ton | 72,895 | 84,629 | 66,319 | 77,558 | 96,620 |

3.1.2

The company shows a replanting plan, including:

| Year | BMLE (Ha) | BAME (Ha) |
|------|-----------|-----------|
| 2019 | 276,42 | 388,91 |
| 2020 | 486,85 | 582,61 |
| 2021 | 620,62 | 228,47 |
| 2022 | - | - |
| 2023 | - | - |
| 2024 | - | 345,32 |
| 2025 | - | 278,75 |

Replanting Review

Based on the results of the review of the Minutes of Work Completion Replanting document from PT Lingkar Orbit Nusantara dated June 2, 2022 on Work Agreement No. BAME/JKTO/02/19/003-LP (Roads, Trenches and Soil Conservation), it is known that replanting activities include: felling and chipping, eradication holes, planting holes and trenching, and soil conservation in the form of double terraces. Based on the review of the document, it is known that the progress of the work is 100%.

3.1.3

The company can show evidence that it has conducted periodic management reviews, for example:

- Record of BAME management review activities on April 28, 2022 which briefly discusses ICV and External Audit Reports, Customer Feedback, Evaluation of Requested Corrective and Preventive Actions, Evaluation of goals, objectives, programs & system performance, changes in the scope of system planning, changes in activities, processes, products and services, changes and compliance with laws and regulations and other requirements, changes in organizational policies, training needs.
- Record of BMLE management review activities on March 3, 2022 which briefly discusses ICV and External Audit Reports, Customer Feedback, Evaluation of Requested Corrective and Preventive Actions, Evaluation of goals, objectives, programs & system performance, changes in the scope of system planning, changes in activities, processes, products and services, changes and compliance with laws and regulations and other requirements, changes in organizational policies, training needs.
- Record of BAMB management review activities on April 29, 2022 which briefly discusses ICV and External Audit Reports, Customer Feedback, Evaluation of Requested Corrective and Preventive Actions, Evaluation of goals, objectives, programs & system performance, changes in the scope of system planning, changes in activities, processes, products and services, changes and compliance with laws and regulations and other requirements, changes in organizational policies, training needs.

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 management unit has developed and implemented an action plan for continuous improvement and it is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification, such as:

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- Waste management and monitoring through WWTP Management, effluent quality testing and reporting to the Kotabaru District Environmental Service.
- Air quality management and monitoring through road maintenance, air quality testing and reporting to the Kotabaru District Environmental Service.
- Management and monitoring of groundwater through testing ground water quality and reporting it to the Environment of Kotabaru District.
- Hazardous waste management through the Storage of Hazardous and Toxic Waste and Waste Management and Monitoring of Hazardous and Toxic Materials.
- Greenhouse Gas (GHG) Management. Implement a zero-burning policy, utilization of EFB

3.2.2

The company already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

- Name of RSPO Member: Golden Agri Resources Ltd
- RSPO Membership Number: 1-0096-11-000-00
- Name of Certified Audit: PT Tapan Nadenggan Batu Ampar Mill
- Name of Certification Body: Mutu Agung Lestari
- RSPO Palm Trace ID Number: RSPO_PO1000001151
- Number of Mill: 1
- Number of Certified Estate: 2

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| Status: Comply |
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3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

Based on the results of interviews with management, it is known that there has been no change to the procedures applicable in the company. The company has procedures including:

- Technical SOP-IK for Oil Palm Cultivation from land preparation to harvesting compiled by the MCAR (Management Committee Agronomy and Research) team in 2020.
- SOP for processing and Supply Chain

The company also has a complete SOP related to processing palm oil into CPO and PK at the Palm Oil Mill. SOP/SMART/MCMD/I/TM-PKS 7th revision dated on 3 January 2022. The SOP covers standard operating procedures in POM including: FFB reception stations, sterilization activities, threshing stations, press station, clarification station (clarification), clarification station; Oil recovery tank substation, nut and kernel station, boiler and engine room, water treatment, final effluent, storage tank washing. In addition, there is a Certified Product Identification and Traceability SOP (SOP/SMART/CERS-EHSD/SADV/I/001) which was approved by the Head of Upstream on July 1, 2014.

The company can show that the procedure has been understood by the workers, for example, based on the results of field observations at the harvesting activity Block G35 Batu Mulia Estate, it is known that the workers have understood good harvesting procedures and harvest criteria, in addition, based on the results of field observations of sorting activities at Batu Ampar POM, it is known that workers already know the sorting criteria and work using appropriate PPE.

3.3.2

As a mechanism to check the implementation of procedures consistently, the company has an Internal Audit procedure Number SOP/SMART/UMUM/SADV/I/009 dated December 5, 2012. The company routinely carries out inspections of plantation and mill

operations, for example:

- Operational Internal Audit (OIA) is conducted twice a year with the scope of administration of bank cash and memorials, administration of accounts payable and receivable and current accounts, non-plant fixed assets, maintenance of plants and plantation areas, production of wage crops and personnel.
- Internal sustainability audit activities are carried out by the OSDV (operational sustainability Division).
- The conformity check of the procedures for the work done by the contractor is carried out at the time of submitting the payment stages.

3.3.3

The company can show the monitoring and follow-up records that documented, some of which are contained in the following documents:

- The RSPO Internal Audit Report dated 18 – 26 April 2022 was prepared by Anria, I Gede Yuda Marta Diputra, Jutoto Ibram Zaen, Kamaludin Sofyan, Maman Surahman with no discrepancies.
- ISPO Internal Audit Report dated 18 – 26 April 2022 prepared by Anria, I Gede Yuda Marta Diputra, Jutoto Ibram Zaen, Kamaludin Sofyan, Maman Surahman with no discrepancies.
- Operations Internal Audit Report No. 05/III-BAMM/05/2022 examination date 16 – 22 March 2022.
- OIA Report Document - Detail Finding BMLE for Semester 1-year 2022 with audit scope of Crop Production related to Losses and Unaccurate Payment of Harvest Premiums.
- OIA Report Document No. 03/III-BAME/05/2022 inspection date 14 – 21 February 2022 with the scope of examination of Bank Cash Administration and Memorial, Goods Inventory, Plant and Plantation Area Maintenance, Plant Production and Wages and Personnel.

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

The company has carried out an independent and participatory environmental and social impact assessment by involving the stakeholders listed in several documents, namely:

Environmental Aspectf

The Company already has Environmental Documents listed in the AMDAL Document (Andal, RKL and RPL) for Hybrid Coconut, Oil Palm and Rubber Plantations as well as Hybrid Coconut and Oil Palm Processing Factory PT Inti Gerak Maju in Batu Licin and Kelumpang Selatan Districts (IGM I), Kelumpang Hulu and Kelumpang Tengah Subdistricts (IGM II), Kotabaru District, Kalimantan Selatan Province. The AMDAL document has been approved in accordance with the Decree of the Minister of Agriculture of the Republic of Indonesia Number 15/ANDAL/RKL-RPL/BA/IV/1998 on April 30, 1998. Batu Ampar POM, Batu Ampar Estate, and Batu Mulya Estate are included in IGM I. Scope The AMDAL study covers an area of 30,000 Ha, with an area of 10,000 Ha for IGM I and 20,000 Ha for IGM II.

In 2013, the company made changes to PT Tapan Nadenggan's RKL-RPL and submitted it to the Kotabaru District Environmental Agency on 22 April 2013. On 29 April 2013 there was a letter of recommendation from the Kotabaru District Regional Environment Agency with Number 660/ 20/TA-AMDAL/BLHD/2013 which states that the revision of the AMDAL document is only carried out in the RKL-RPL document in order to adjust the implementation of the RKL-RPL with current activities, without changing the ANDAL Document. The revision of the approved RKL-RPL document is a reference for the initiator in carrying out environmental management and monitoring in their activities

Social Aspect

PT SMART Tbk. has conducted a survey and Social Impact Assessment (SIA) in 2010 by the SMART Research Institute and was listed in the SIA Report – Study of Social Impact Assessment in Palm Oil Plantation (Report of the Study on Identification of the Impact of Social Oil Palm Plantations) by SMART Research Institute Jakarta. The villages covered around the plantation are Serongga Village, Langadai Village, Pantai Village, and Batu Ampar Village. This refers to the Decree of BAPEDAL No. 299/III/1996 concerning Technical Guidelines for Social Aspects in the Preparation of AMDAL Documents. The assessment was carried out using several methods including FGD, interviews and surveys. SIA includes several factors, including:

- Demography, education, livelihood, income, health, facilities and infrastructure, custom, and culture of the company around communities
- Management effort to social, economic, and culture.

Based on document verification, it is known that the social and environmental impact assessment has been carried out independently and participatively by involving affected stakeholders.

The results of field observations during the audit activity show that all of the company's operational activities have been included in the company's environmental documents.

Based on interviews with surrounding villages, it is known that the social impacts of the company's existence include partnerships with business actors to provide business opportunities to the community, job opportunities, etc. These social impacts have also been identified in the SIA Document, Environmental Document, as well as the company's social impact management plan.

Based on document verification, it is known that the scope of the social impact assessment has covered the entire village and has involved internal workers.

3.4.2

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

Environmental Aspect

The environmental management and monitoring plan in accordance with the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) has been revised based on the Recommendation Letter from the BLHD Kotabaru District No. 660/20/TA AMDAL/BLHD/2013 dated 29 April 2013, namely:

- Land acquisition is carried out during the pre-construction stage and during land acquisition activities.
- Soil erosion on sloping land 8-25% is carried out at the Construction stage and at the time of replanting
- Soil erosion on the road body is carried out once a year
- Disturbance to the presence of wildlife
- The continuity of the wallet bird's nest business is carried out at the Construction stage
- The continuity of shifting cultivation is carried out from land clearing up to 3 years after the factory/garden operates
- Pig pests are carried out from the land clearing stage until the wild boar is no longer disturbing
- Public health
- Absorption of labor and increase in income
- Decreased water quality
- Decreased groundwater quality due to Land Application activities
- Decrease in soil quality due to Land Application activities
- Decreasing air quality
- Hazardous and toxic waste generation
- Job loss for plantation and factory workers is carried out in the post-operation period.

Social Aspect

The company already has an SIA management and monitoring plan for the period 2022 - 2023 which is carried out based on the results of consultations with stakeholders such as the surrounding community and employees as evidenced by the attendance list of SIA monitoring activities carried out on April 13-14 2022 in several villages namely Batu Ampar Village, Langadai Village, Serongga Village and Pantai Village as well as employees and Management. The SIA management and monitoring plan for 2022-2023 is as follows:

- Labor recruitment
- Maintenance of productive plants
- Presence of local contractors to transport FFB
- Road and bridge maintenance
- Replanting
- Improving the quality of life of the surrounding community

- CSR planning
- Providing road repair assistance to the village.

The SIA management plan which was prepared based on the results of consultations with stakeholders such as the surrounding community and employees has covered all of the company's operational activities. This is evidenced by the SIA management plan which contains the social impacts of the company's operations on the affected stakeholders.

Based on interviews with surrounding villages, it is known that the social impact of the existence of companies such as partnerships by trying to provide work opportunities to the community, as well as CSR. Both impacts have been covered in the SIA study document.

3.4.3

The Company has implemented environmental and social management and monitoring plans, namely:

Environmental Aspect

The company has implemented an environmental management and monitoring plan for the 1st and 2nd semesters of 2021. The environmental management and monitoring plan is in accordance with its environmental documents. The results of the verification of the implementation of the environmental management and monitoring plan for semesters 1 and 2 of 2021 are in accordance with the directions of the environmental documents owned. In general, the results of environmental management and monitoring are in accordance with the provisions. The company has also conducted evaluations such as trend evaluation, critical level evaluation, and compliance evaluation.

Social Aspect

- The company has implemented the SIA management and monitoring plan for the 2021 period. The plans that have been implemented have been in accordance with the SIA management and monitoring plan. Some examples of the implementation of the AIS management and monitoring plan are as follows:
- Implementation of the issue of concerns about residents of employee housing over the emergence of hygiene and health problems due to the accumulation of garbage. The company has added Landfills points at the company's location. With the addition of these landfills, the waste in the employee housing is transported from the employee housing so that there is no more garbage accumulation. This has been verified by the auditor team by conducting a field visit to the employee housing area.
- Public and employee health. The company already has health facilities and also has medical personnel.
- CSR. The company has implemented CSR programs in accordance with programs prepared based on the aspirations of the community and also from CSR activities based on requests/requests from the community.

The company has also reviewed the SIA management and monitoring plan, which was carried out together with the surrounding community and workers, as evidenced by the minutes of reviewing the SIA management and monitoring plan. The review was carried out in the period of July 2021 to see the suitability of the plan with actual conditions.

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| Status: Comply |
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3.5

A system for managing human resources is in place.

3.5.1

UoC had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collective Labor Agreement period of 2018 to 2020 written in *Bahasa*. Based on document verification and interview with labour union and management, this CLA still valid until new CLA signed by both of parties as stated in article number 24. It stated that the CLA still valid until the new CLA signed.

Based on the document verification, CLA generally described these procedures as follows:

- Recruitment of workers is based on the company's needs.
- The minimum age of workers is 18 years old.
- The workers who have been accepted will through three months of probation.
- Promotion of workers is based on needs, period of work, expertise, and assessment of workers for the last 6 months.
- The company is authorized to carry out the placement, transfer, and promotion of workers by applicable regulations.

In addition, the procedures of employee recruitment, appraisal, promotion, and remuneration are explained specifically in several

SOPs. These procedures have been documented and socialized to all workers and their representatives, here as follows:

- SOP No. SDM A-004-00 validated on 1 September 2005 concerning on Recruitment.
- SOP No. SDM D-010-01 validated on 11 April 2012 concerning on Worker's Promotion.

Based on the interviews with workers (harvesters, pesticide sprayers, and mill operators), workers had a sufficient understanding of the procedures related to recruitment, promotion, and termination of employment. The types of workers exist in the company are permanent workers in probation and permanent workers. Workers explained that the recruitment process carried out by the company was in accordance with the terms according to ability, promotion is based on an assessment of the performance of each employee each year, and termination of employment can occur if the worker has committed a serious violation and other causes of termination as in existing government regulation. All labor procedures has been in accordance with the applicable regulation.

3.5.2

Unit of Certification documented all labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of medical check up, and work agreement letter. For example, a worker on behalf of TMO (initial) who started working as a CCTV officer in May 2021.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of MJ (initial) who had a promotion based on worker's appraisal, from division clerk to 3 payroll clerk on 2 May 2022.

Based on the interviews with the Manpower Agency of Kotabaru, the company had been applied the existing labor procedures in accordance with the regulations. During 2021 to 2022, there were no issues related to manpower.

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| Status: Comply |
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3.6

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

3.6.1

The certification unit has conducted a risk assessment of all operational activities to identify OHS issues, which are shown in documents of Hazard identification and risk assessment period January – December 2022 of BAME, BMLE and BAMB prepared by the OHS Committee secretary. The document describes, among others, Stations/Activities, Routine/Non-routine, Identification of Potential Hazards (Sources/Events), Impact), Existing Controls, Preliminary Risk Analysis (Level of Likelihood, Severity Level, Risk Level) and Risk Accepted / Unaccepted for all stations / activities on Mill and Estates.

Based on interview with management it is known that HIRAC will be update every time there is an issue that occurs including the occurrence of work accidents. The company can show that the HIRAC documents has been understood by the workers, for example, based on the results of field observations the spraying activity Block H06 BAME, it is known that the workers have understood harvesting procedures and appropriate use of PPE. in addition, based on the results of field observations of St. Engine Room activities at BAMB, it is known that workers already know how to operate the machine and using appropriate PPE.

3.6.2

The company has monitored the effectiveness of the OHS plan, one of which is through OHS Committee meetings for all units on a monthly basis. OHS Committee meeting recording for example:

- Minutes of the OHS Committee meeting for December 2021 on December 20, 2021 in the BAMB meeting room briefly discussed:
 - Anticipate the covid-19 virus
 - PPE monitoring
 - Monitoring employees who are out of town (red zone)
- Minutes of the OHS Committee meeting in January 2022 on January 14, 2022 in the Big Office Meeting Room (BAME) which briefly discusses monitoring and checking PPE and making internal purchase requests for PPE that is damaged or unfit for use.
- Minutes of the OHS Committee meeting in March 2022 on March 15, 2022 in the BMLE Meeting Room which briefly discussed the refilling of fire extinguisher, administration related to employee work accidents, monitoring the discipline of using PPE.

In addition, the company also monitors OHS aspects on the machines and equipment used, for example OHS Testing and Inspection according to the Minutes of Machine Inspection and Testing by OHS Service Company dated 6 June 2022 for machines including:

- Diesel Engine Generator No. 5 (Weichai)
- Steam Turbine No. 1 and No. 2
- Deaerator Steam Vessel
- BPV Steam Vessel
- Sterilize Steam Vessel No. 1, No. 2, No. 3 and No. 4
- Overhead Traveling Crane
- Electrical installation
- Wheel Loaders
- Steam Boiler No. 1 and No. 2
- Lightning Channel Installation at Work
- Conveyor
- Hydrant Installation
- Diesel Engine Generator

The company shows the recording of the last health check carried out by a company doctor who has a certificate of hyperkes, including:

- Audiometry special examination recording of 36 BMM Workers (Process and Workshop) on March 15, 2022 with all normal results.
- Records of the Cholinesterase special examination of 19 BMM workers (process and laboratory) dated March 15, 2022 with all normal results.
- Records of Health checks on all BMM employees (148 workers) dated January 15, 2022, with all fit to work results.
- Cholinesterase special inspection recordings for 64 workers (sprayers, fertilizers and warehouse workers) and Audiometry for 6 workers (Techniques) on March 14, 2022 with all normal results and qualified to work.
- The results of periodic Health checks for all BMM employees conducted by Company Doctors on January 18, 19, 20 and 25, 2022, with all healthy results and recommendations for work.
- The results of the Cholinesterase special Health examination for BMLE spray, fertilizer and warehouse workers (105 workers) conducted by the Company Doctor on February 22, 2022 with the results that all of them can do work related to agrochemical materials.
- The results of periodic health checks on 320 BMLE workers dated March 23, 2022, with the results that all of them are healthy and fit to work.

Thus, it can be concluded that the company has monitored the effectiveness of OHS to handle OHS risks in people.

Status: Comply

3.7

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

3.7.1

Unit of certification had training identification and program for 2021-2022 in order to improve the competence and expertise of all workers including contractors. The company had identified the needs of competence standard and the proposed training for each worker including contractor worker, for example:

- Training of fire-fighting and first aid simulation for emergency team.
- Training of children care for daycare officer.
- Training of SCSS for contractor workers.

3.7.2

UoC also showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, smallholders, and related stakeholders. The following is an example of training/socialization documentation that had been carried out, for example:

- Training of pesticide application procedure and MSDS in Batu Mulia Estate on 22 March 2022 which was attended by all pesticide application workers.
- Training of hazardous waste handling on 11 June 2021.

Based on field observations and interviews with workers (harvesters, maintenance workers, warehouse officers, and mill operators)

and contractor workers, it is known that the company provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

3.7.3

The unit of certification showed socialization about the supply chain to employees which was last conduct on 3 February 2021. The minutes explained the procedures for managing certified and non-certified products including the responsibilities for each of the personnel who handle products.

The results of interviews with Head of Administration, weighbridge operator in POM and FFB administration in Estate showed that workers have already known the duties and responsibilities of each in the implementation of SCCS in accordance with the procedure and have been able to explain well about the management of certified and uncertified products, especially regarding the origin of the FFB source.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 and 3.8.2

Based on document verification, the Mill implements the MB Module, which is received both FFB from certified and uncertified sources. Verification of Mass Balance record, the Mill has been recorded well the separation of FFB and products (CPO and PK) from certified and uncertified sources.

3.8.3

Estimated certified product recorded in the last assessment report. The estimates of certified production for the next license period describe at ASA-1.3+ASA-1.4 report (basic info 1.8.3), in reasonable amount taking into account the last year's production. The data are shown in the following table:

| Products | Last Year Projected + Ext Volume (26 Feb 2020 – 25 Aug 2022) | Actual (Jan 2020 - June 2022) |
|--------------------|--|-------------------------------------|
| FFB Certified (MT) | 288,151.28 | 269,969.20 |
| CSPO (MT) | 66,613.38 | 51,537.97 |
| CSPK (MT) | 13,917.48 | 13,119.52 |

3.8.4

The Mill has registered as RSPO member under GAR (No. 1-0096-11-000-00) and also has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Batu Ampar Palm Oil Mill - PT Tapian Nadenggan
- License ID: CB97750
- Core Product: Palm Oil
- Member ID: RSPO_PO1000001151
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain Model of Mass Balance (No. PT.TN.BAMM/SOP/24 dated 02 July 2021), SOP of FFB Processing (No. SOP/SMART/MCMD/I/TM-PKS), SOP of Reporting of Certified Product (No. SOP/SMART/CERS-EHSD/SADV/003), and SOP of Document and Record Controlling (No. SOP/SMART/UMUM/SADV/I/001).

These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer,

production clerk, Administration Head, as well as the training.

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

3.8.6

The procedure for internal audit for SCCS mentioned in the procedure of RSPO Supply Chain Model of Mass Balance (No. PT.TN.BAMM/SOP/24). Based on that procedure internal audit carry out minimum one times a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 18 – 26 April 2022. Based on result of internal audit, there is no non conformity SSCS indicators and complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 29 April 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, process performa and product compliance, follow up of previous management review, and recommendation for improvement.

3.8.7

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 30 months before audit which is January 2020 – June 2022:

| Month | FFB (ton) | | Total |
|----------------------|------------|---------------|------------|
| | Certified | Non-Certified | |
| Jan 2020 – June 2022 | 269,969.20 | 224,054.91 | 494,024.11 |

Estimated certified product recorded in the last assessment report (ASA-1.2). Actual certified produced has been verified during this assessment and not exceed the estimate. The data are shown in the following table:

| Products | Last Year Projected + Ext Volume (26 Feb 2020 – 25 Aug 2022) | Actual (Jan 2020 - June 2022) |
|--------------------|--|-------------------------------------|
| FFB Certified (MT) | 288,151.28 | 269,969.20 |
| CSPO (MT) | 66,613.38 | 51,537.97 |
| CSPK (MT) | 13,917.48 | 13,119.52 |

According to the data during the certification period, there still not any overproduction yet.

Related for handling non-conforming oil palm products, has been set in the SOP for Handling Complaints and Dissatisfaction with the Sustainability and Strategic Stakeholder Engagement Directorate 2017, document number SOP / SMART / GIMS-SCMD / USDV / 1/001, Rev.2.0. This procedure is generally applied to all complaint's aspects, including complaints and non-conforming products from customers/buyers. During the audit, there is no written complaint from stakeholders related to nonconforming products.

3.8.8

The mill has product information provided in such as document of weighbridge ticket, delivery order and other invoices, as example at invoices of CSPO certified delivery on 7 July 2022. The informations provided on invoices are:

- The name and address of the buyer (PT SMART - Tarjun);
- The name and address of the seller (PT Tapiang Nadenggan – Batu Ampar Mill in Kelumpang Hilir)
- The loading or shipment / delivery date (7 July 2022);
- A description of the product supply chain model (Mass Balance)
- The date on which the documents were issued (7 July 2022);
- The quantity of the products delivered (13.62 ton);
- Any related transport documentation (transport by PT Satrindo Jaya Agropalma);
- A unique identification number (A009886);
- RSPO certificate number (SGS-RSPO/PC17-00011);

- etc.

3.8.9

The certificate holder has the agreements with a third parties in terms of transporting CPO & PK that ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. Examples of these contracts are as follows:

1. PT Satrindo Jaya Agropalma (CPO transporter), agreement No. 001/SP/TN/BAMM/12/2018-CPO
2. PT Satrindo Jaya Agropalma (PK transporter), agreement No. 002/SP/TN/BAMM/12/2018-PK
3. PT Sarana Lintas Bersama (PK transporter), agreement No. 003/SP/TN/BAMM/12/2018-PK

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there is a letter of commitment from each contractor stating that they are committed to supporting the implementation of the RSPO SCCS system including the willingness to provide proper access to accredited CBs in order to be able to access their operations and systems along with any information in their possession, if the audit is notified in advance and based on interview with contractor regarding the clausal in the contract that allow CB to access the contractor, they acknowledge and understand about the provisions.

3.8.10 and 3.8.11

The Mill has the record of details of the contractor, covers the contractor company profile, address, contact person, email and phone number, contract agreement and period, and list of vehicles. There is contractor / transporter at PT Tapan Nadenggan, namely PT Satrindo Jaya Agropalma for CPO and PK transporter and PT Sarana Lintas Bersama for PK transporter. There was no new contractor from the previous assessment.

3.8.12

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 2 years.

For instance record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 30 months before audit (Jan 2020 – June 2022):

| Month | CPO (ton) | | Total |
|----------------------|-----------|---------------|-----------|
| | Certified | Non-Certified | |
| Jan 2020 - June 2022 | 51,537.97 | 42,219.61 | 93,757.59 |

| Month | CSPO Despatch (ton) | | | Total |
|----------------------|---------------------|----------|---------------|-----------|
| | RSPO | ISCC | Non-Certified | |
| Jan 2020 - June 2022 | 44,930.85 | 6,189.14 | - | 51,119.99 |

| Month | PK (ton) | | Total |
|----------------------|-----------|---------------|-----------|
| | Certified | Non-Certified | |
| Jan 2020 - June 2022 | 13,119.52 | 11,036.99 | 24,156.51 |

| Month | CSPK Despatch (ton) | | | Total |
|----------------------|---------------------|--------------|---------------|-----------|
| | RSPO | Other Scheme | Non-Certified | |
| Jan 2020 - June 2022 | 13,117.36 | - | - | 13,117.36 |

3.8.13 and 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 30-months period for January 2020 until June 2022 i.e OER 18.98% and KER 4.89%. Periodically update of extraction is actual extraction.

3.8.15

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

3.8.16

RSPO IT Platform member registration number for Batu Ampar Palm Oil Mill is RSPO_ PO1000001151. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch. For example:

- Certified CPO sold to PT SMART Tbk Tarjun Refinery dated 7 May 2022 for 2,207.92 ton and transaction creates in IT Palm Trace dated 20 May 2022.
- Certified PK sold to PT SMART Tbk Tarjun KCP dated 30 May 2022 for 202.20 ton and transaction creates in IT Palm Trace dated 29 June 2022.

Removing Stock

For the certified PK, the company sold all the CSPK as RSPO Certified product. However, for the CSPO that sold as other scheme or as conventional, the company has removed the stock of CSPO from the palm trace, as example removing stock of CSPO dated 9 July 2020 for 489.70 ton (transaction ID: ST-TR-848e7314-dbd5).

3.8.17

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1

UoC showed their commitment due to respecting human rights stated in the stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. In addition, it's also stated in UoC's Social and Environment Policy validated on 8 September 2015 by Head of Upstream, CEO and Managing Director of Sustainability & Strategic Stakeholder Engagement. Both policies explained that Sinarmas Group committed to respect and protect human rights in order to create security for all workers including not to discriminate, give freedom in beliefs, respect and uphold human rights.

UoC's commitment in respecting the human rights has been well implemented proved by the absence of issues and incidents of human rights violations that occurred in the operational areas for mill and 2 estates. Based on the interview with workers in estates (harvesters, pesticide sprayers, and maintenance workers), workers in mill (mill operators and warehouse workers), they stated that there were no incidents or issues of human rights violations occurring in the operational area of the certification unit.

4.1.2

Based on the interviews with the surrounding communities, occupants, and workers, it revealed that up until this assessment, if there was any conflicts or disputes with the company, the resolution action taken was deliberation without involving any violence's or mercenaries. Resolution of conflicts / problems using these deliberations has been quite effective and during the past year there have never been any conflicts / problems in UoC's work area.

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

UoC showed some policies related to grievance system, here as follows:

- SOP No. SOP/SMART/GIMS-SCMD/USDV/II/001 (Rev. 02) validated on 11 April 2017 concerning in handling workers grievances. The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc).

- SOP No. SOP/SMART/SIGS-CSR/SADV/II/003 validated on 1 July 2014 concerning in handling grievance and dissatisfaction. The policy explained the mechanism of external communication (e.g: contractors, suppliers, government agency, etc) including the mechanism if there were any grievances. This policy also explained that the company can be brought the complaints to the RSPO complaint system if there wasn't any solution yet and protected the identity of the whistleblower if needed.

Based on the interviews with the surrounding communities, occupants, and workers (harvesters and mill operators), the workers had a good understanding of the communication procedures and personnel who served as communicators between the company and the community so that illiterate people can be informed by the related communicators.

4.2.2

Unit of certification showed SOP No. No. SOP/SMART/GIMS-SCMD/USDV/II/001 (Rev. 02) validated on 11 April 2017 concerning in handling workers grievances. The policy explained activities of handling grievances related to manpower or non-manpower (e.g: facilities, etc). In the general mechanism of handling grievance, is stated as follows:

- The company's commitment to protect the anonymity of whistleblowers.
- Submission verbally or in writing to the contact person of the company or through labor union.
- Responses will be given at a maximum of 10 days.

In addition, UoC also has SOP No. SOP/SMART/SIGS-CSR/SADV/II/003 validated on 1 July 2014 concerning in handling grievance and dissatisfaction. This policy explained that all complaints will be summarized and recorded in the List of External Complaint Monitoring. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the List of External Complaint Monitoring.

4.2.3

Based on interviews with workers and external or internal stakeholders, it's known that they have understood the person responsible and the grievance mechanism in which the complainant's identity is protected. Based on the interview with both internal and external stakeholders, they informed that there were no complaints or grievances against the UoC.

Based on the documents review of the worker's grievance logbook period of 2021 to 2022, it is known that the complaints received by the company are related to facilities. UoC then showed the compliance of these complaints. Based on the interviews with government agencies, surrounding communities, gender committees, labor unions and workers, it's known that there were no further complaints against the unit of certification.

4.2.4

UoC showed the SOP No. SOP/SMART/GIMS-SCMD/USDV/II/001 (Rev. 02) validated on 11 April 2017 concerning in handling workers grievances and SOP/SMART/SIGS-CSR/SADV/II/003 validated on 1 July 2014 concerning in handling grievance and dissatisfaction. These policies explained the mechanism of handling any grievances and access to the Manpower Agency (tripartite) and RSPO complaint system if the grievance didn't meet any solution.

In addition, UoC also showed the company's socialization using poster for all workers and external stakeholders posted in strategic spots e.g in front of the estate and mill office. This poster explained the mechanism of all grievances through the labor union or each worker's supervision and will be recorded in the grievance logbook. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the grievance logbook.

Status: Comply

4.3

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

4.3.1

The company already has the PT Tapan Nadenggan CSR Program for the period 2021-2022 which was prepared based on the results of consultations with the surrounding community which were carried out in conjunction with the company's SIA Program consultation. The company's CSR programs, for example, are as follows:

Education Aspect

- Transportation assistance for school children
- Scholarship Award
- Honorary assistance for education staff

Health

- Distribution of masks to village communities
- Covid 19 Task Force Speed Boat transport assistance.

Infrastructure

- Heavy equipment assistance

Social Aspect

- Food Assistance
- Three Wheel Cement Assistance
- Food assistance in Langdai Village and Pantai Village.

Companies can show the realization of CSR activities carried out in 2021, for example as follows:

- Incentive Assistance for 2 Teachers in Pantai Village from January 1, 2021 to December 31, 2021.
- Distribution of masks in Pantai Village on April 31, 2021.
- Distribution of basic necessities to underprivileged communities in Langadai Village on April 30, 2022.
- Incentive for 2 teachers in Langadai Village on January 1, 2021 to December 31, 2021
- Assistance for school pick-up and drop-off costs in Serongga Village during 2021.
- Distribution of masks to employees on September 6, 2021.

Based on the results of interviews with villages around the company, it is known that so far the company has realized CSR to the surrounding community and is considered quite good by the village head.

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

PT Tapian Nadenggan (formerly PT Inti Gerak Maju) already has a HGU area of 7,648.71 Ha in accordance with the decree of the State Minister of Agrarian Affairs/Head of the National Land Agency Number: 52/HGU/BPN/98 dated 30 June 1998 located in Kotabaru District, Province of Kalimantan Selatan with a validity period of 35 years from the date of stipulation. Then 2 HGU certificates were issued, namely:

- HGU Certificate No. 23 dated July 28, 2000 with an area of 4,719.673 Ha from the Land Office of Kotabaru District. Expiration of rights: September 24, 2034. On the Registration page for Transfer of Rights, Encumbrances and Other Records, it is informed that there has been a merger between PT Inti Gerak Maju and PT Tapian Nadenggan to become PT Tapian Nadenggan based on the Deed of Merger of PT Tapian Nadenggan No. 6 dated November 26, 2004.
- HGU Certificate No. 24 dated July 28, 2000 with an area of 2,929.037 Ha from the Land Office of Kotabaru District. Expiration of rights: September 24, 2034. On the Registration page for Transfer of Rights, Encumbrances and Other Records, it is informed that there has been a merger between PT Inti Gerak Maju and PT Tapian Nadenggan to become PT Tapian Nadenggan based on the Deed of Merger of PT Tapian Nadenggan No. 6 dated November 26, 2004.

Then there is the HGB of PT Tapian Nadenggan (formerly PT SMART) with a total area of 27.0126 Ha with the following details:

- Decree of the Head of the Regional Office of the National Land Agency of Kalimantan Selatan Province No. 21-550.2-43-2000 dated September 21, 2000 which granted PT SMART building rights for a period of 30 years on a plot of land located in Serongga Village, Kelumpang Selatan District, Kotabaru District, Kalimantan Selatan Province covering an area of 128,170 M2. Then the HGB Certificate No. 03 was issued dated October 23, 2000 with an area of 12,8170 Ha from the Land Office of Kotabaru District. The expiry of rights, which is September 24, 2030. On the Registration page for Transfer of Rights, Encumbrances and Other Records, it is informed that there has been a sale and purchase of HGB from PT SMART to PT Tapian Nadenggan based on the Sale and Purchase Deed No. 018/2019 on 27 February 2019.
- Decree of the Head of the Regional Office of the National Land Agency of Kalimantan Selatan Province No. 22-550.2-43-2000 dated September 21, 2000 which granted PT SMART building rights for a period of 30 years on a plot of land located in Serongga Village, Kelumpang Selatan District, Kotabaru District, Kalimantan Selatan Province covering an area of 141,956 M2. Then the HGB Certificate No. 04 was issued dated October 23, 2000 with an area of 14.1956 Ha from the Land Office of Kotabaru District. The expiry of rights, which is September 24, 2030. On the Registration page for Transfer of Rights, Encumbrances and Other

Records, it is informed that there has been a sale and purchase of HGB from PT SMART to PT Tapian Nadenggan based on the Sale and Purchase Deed No. 019/2019 on 27 February 2019.

Based on the description above, it is known that the total land rights (HGU and HGB) owned by PT Tapian Nadenggan are 7,675.72 Ha. However, based on the Statement Letter issued by the Director and Deputy President Director of PT Tapian Nadenggan on August 23, 2018 that the company removed an area of 775.60 Ha from the scope of certification because it overlaps with the mining area. Thus, the total area that managed by PT Tapian Nadenggan and also the scope of PT Tapian Nadenggan certification is **6,900.12 Ha**.

4.4.2

Unit of certification is one of long-established plantations company. During stakeholder consultation with surrounding villages (Batu Ampar Village and Langadai Village) stated there is no customary right within the plantation area and there is no new land acquisition process.

The company showed 2 copies of the Decree of the Minister of Forestry (No. 151/Kpts-II/1993 dated 18 April 1994 and No. 115/Kpts-II/1995 dated 27 March 1996) which explained that the area of PT Tapian Nadenggan (formerly PT Inti Gerak Maju) comes from the release of part of the forest area. However, the company also acquired land in the form of compensation to the land owners in the HGU area. The company can show a recapitulation of the list of recipients of land compensation which was carried out in the period 1992 to 1995.

Companies can also show examples of documentation of land acquisition or land compensation, for example on behalf of Kamberani, Kaspul, Kadul, Marimah, Kamariah, Made, and Laila. The documentation includes a certificate of land tenure, a map of the location of the land, minutes of compensation, a statement of release of rights, until evidence of payment in the form of a receipt or money receipt. The compensation process is carried out directly to the land owner who is compensated where this is evidenced by the signature on stamp duty between the land owner and company representatives. The compensation documentation was also known by witnesses such as the village head and the local sub-district head.

4.4.3

The company can show a map showing legal rights in the form of a HGU map with a scale of 1:50,000 contained in the HGU certificate issued by the Land Office that developed through participatory mapping. Moreover, in each compensation document there are maps that are made in a participatory manner showing the location of the area to be compensated which is signed by the land owner and known by the local government. Based on public consultation with village representatives from Batu Ampar Village and Langadai Village, it is recognized that they know the legal boundaries owned by PT Tapian Nadenggan.

Based on field observations to several samples of HGU stakes determined by the auditors, namely Batu Ampar Estate (Stakes No. 26, 29, 62, 65, 66, 67, 148, 183 and 184) and Batu Mulia Estate (Stakes No. 04, 05, 12, 13, 20, 23, 24, 98, 106, 107), it is concluded that all HGU stakes are in place according to their coordinates and are in good condition. Land boundaries with outsiders are clear, such as a large boundary road and trench that borders the HGU area. There is no indication of land use outside the HGU.

4.4.4

As explained in indicator 4.4.2, it is known that the negotiation process for land release has been carried out in a fair, open, and transparent manner and is based on the agreement of both parties without any coercion from either party. The community represents itself in the process. All relevant information regarding land acquisition is available in appropriate forms and languages.

4.4.5

Based on the recapitulation of the land compensation documents shown, it is known that the land compensation process was carried out in the period 1992 – 1995. At the time of the audit, no previous land owner could be contacted because the compensation process had taken a long time, but based on information from the certification unit management and based on public consultation with village representatives from Batu Ampar Village and Langadai Village was informed that the compensation documents had also been given to the indemnified party during the compensation process. This is also evidenced by the compensation document where the person who signs the document is the land owner directly witnessed by the village head and sub-district head.

4.4.6

Based on the results of interviews with stakeholders (Batu Ampar Village and Langadai Village), it was informed that the company

has had a positive impact such as employee recruitment and CSR assistance. The company regularly holds meetings with community representatives and absorbs community aspirations which are applied in company policies such as CSR or other assistance, for example on 13-14 April 2022. Communication with the community is no problem, every request for information is always responded to by the company. Beside that the implementation of FPIC demonstrated in social impact assessment and HCV assessment.

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 new planting activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There were the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.

Status: Comply

4.6

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

4.6.1

The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/002 dated 1 July 2014 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Batu Ampar Village and Langadai Village known that they know about the procedure through the socialization given and they agree with the procedure and known information that were not any negotiations conducted by the unit of certification with any parties concerning compensation for loss of legal, customary or user rights since the last surveillance.

4.6.2

The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/002 dated 1 July 2014. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Batu Ampar Village and Langadai Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner.

4.6.3

PT Tapian Nadenggan does not yet have a plasma or smallholder scheme for local communities.

4.6.4

Document evidence of land acquisition process consists of List of Participants and Land compensation process has been carried out in the early days of land clearing and all recorded evidence of land compensation process consisting of identification and land inventory documents, land location maps, statement of release of land rights by the owner, Payment Receipts, Minutes of submission of compensation/compensation and witnesses, stored in their respective estates according to the location of the land. At the time of the audit, no previous land owner could be contacted because the compensation process had taken a long time, but based on information from the certification unit management and based on public consultation with village representatives from Batu Ampar Village and Langadai Village was informed that the compensation documents had also been given to the indemnified party during the compensation process. This is also evidenced by the compensation document where the person who signs the document is the land owner directly witnessed by the village head and sub-district head.

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 | <p>The company has a procedure in place to identify people and/or community groups entitled to compensation presented in document No. SOP/SMART/SENS-CSR/SADV/II/002 dated 1 July 2014. The procedure is described how to identify people and/or community groups entitled to compensation. Based on public consultation with previous land owner and village representatives from Batu Ampar Village and Langadai Village known that they know about the procedure through the socialization given and they agree with the procedure and compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.</p> | |
| 4.7.2 | <p>The company has procedure of Land Compensation, document No. SOP/SMART/SENS-CSR/SADV/II/002 dated 1 July 2014. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on public consultation with village representatives from Batu Ampar Village and Langadai Village known that they know about the procedure through the socialization given and they agree with the procedure and they can access the procedure through management representative of the company if they need it.</p> | |
| 4.7.3 | <p>The company can show recapitulation of previous landowners who have been compensated. Compensation is only made for the area within HGU areas owned by the company and was completed in 1995. The certificate holder has no expansion area for new planting area.</p> <p>Based on public consultation with village representatives from Batu Ampar Village and Langadai Village, the communities that have lost access and rights to land also provided opportunities to benefit from plantation development such as benefit in the form of CSR program, become employee and become a contractor in the company.</p> | |
| | 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 | <p>Based on public consultation with related government agencies of Kotabaru District and village representatives (Batu Ampar Village and Langadai Village) known that there is no land dispute case for the last 2 years until this assessment conducted in the scope certification area. Based on interviews with management of unit certification and the results of the auditor's search on online media, there is no historical or current land dispute in unit certification.</p> | |
| 4.8.2 and 4.8.4 | <p>The Company has established the mechanism for conflict resolution and land dispute in the procedure No. SOP/NP/SMART/VII/D&L002 dated 1 July 2010. Based on public consultation with related government agencies of Kotabaru District and village representatives (Batu Ampar Village and Langadai Village) known that there is no land dispute case for the last 2 years until this assessment conducted in the scope certification area.</p> | |
| 4.8.3 | <p>No evidences show that there is any acquisition process through dispossession or forced abandonment. Based on public consultation with related government agencies of Kotabaru District and village representatives from Batu Ampar Village and Langadai Village, known that all land acquisition between local people and company representatives conducted as mutual agreement and the compensation process are done directed to the land owner and not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.</p> | |
| | 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

Based on the results of document verification, it is known that the company received FFB from the nucleus estate and also received FFB from the Gajah Mada Plasma Cooperative which is a plasma from PT Sinar Kencana Inti Perkasa (one Sinarmas Group). The price of FFB given to the Cooperative is the price set by the Plantation Service of Kalimantan Selatan Province. The company can show the FFB price set by the Plantation Office of Kalimantan Selatan Province for the period April, May, and June 2022. For example, the following is the FFB price for April 2022, which is the lowest price of Rp. 2,733.23 for the age of 3 years and the highest price is Rp. 3,774.85 for a plant age of 13 years.

In addition to receiving FFB from the Plasma Cooperative, the Company also receives FFB from Independent Smallholders around the company and FFB Agents whose FFB comes from Independent Smallholders around the company. The price of FFB given to Independent Smallholders and Agents is based on the price set by the company. The company can show the FFB price fixing by the company, for example for the period 27 June 2022, the FFB price is IDR 1,600/Kg. The pricing is based on CPO prices, OER and KER estimates from outside FFB, and market prices for other companies around the company.

Based on the results of interviews with representatives of the Gajah Mada cooperative, it is known that the price of FFB set by the company is based on the price from the Plantation Office of Kalimantan Selatan Province. Information regarding the FFB price will be conveyed by the company via Whatsapp message.

Based on the results of interviews with FFB suppliers from the Sungai Kupang Jaya Farmers' Association and CV Bamega, it is known that the FFB price set by the company is considered fair by the suppliers due to the intense price competition in other companies. So far, there have been no complaints regarding the FFB price set by the Company.

5.1.2

The price of FFB to farmers is determined by the Kalimantan Selatan Provincial Plantation Service. In determining the price of FFB, farmers are also involved. The Gajah Mada Cooperative always knows the FFB price determination because every time there is an update on the FFB price, the company always provides information to the cooperative leadership to be informed to all its members. This is in line with the results of consultations with cooperative management who stated that information regarding FFB prices is known every week through WhatsApp messages.

For the FFB price set by the company, if there is a price change, the company will inform the FFB Supplier by phone and Whatsapp message. This is in line with the results of consultations with cooperative management who stated that information regarding FFB prices is known every week through WhatsApp messages. Pricing for outside FFB suppliers is also stated in the cooperation agreement and has been agreed by both parties.

5.1.3

As explained in indicator 5.1.2, the price of FFB to farmers is determined by the Plantation Office of Kalimantan Selatan Province and outside FFB suppliers are determined by the company. In determining the price of FFB, farmers are also involved. The determination of the FFB price is always known by the Gajah Mada Cooperative. The price agreement has also been explained in the cooperation agreement between the company and the farmers where the FFB price is based on the price set by the Plantation Service and for Outside FFB the price is set by the Company. For the determination of the premium value until the assessment activity is carried

5.1.4

Based on the results of interviews with the head of the Gajah Mada cooperative, the Sungai Kupang Jaya Farmers Group Association and CV Bamega, it was found that the cooperative and external FFB suppliers had understood the contract/Mou with the company and there was no coercion from the company. So far, the cooperation with the company has been going well and the cooperative has the authority to make decisions.

5.1.5

In terms of cooperation agreements with FFB Suppliers, the company cooperates with PT Sinar Kencana Inti Perkasa. FFB suppliers such as the Telagasari Farmers Group, the Sungai Kupang Plasma Farmers Group Association, Sungai Panci Plasma and other agents have a partnership with PT Sinar Kencana Inti Perkasa. PT Tapan Nadenggan cooperates with PT Sinar Kencana Inti Perkasa

in terms of FFB processing. The company can show the cooperation agreement between PT Tapan Nadenggan and PT Sinar Kencana Inti Perkasa, namely:

- FFB processing agreement dated 27 February 2019 between PT Tapan Nadenggan and PT Sinar Kencana Inti Perkasa with a validity period of up to 28 February 2024.
- The company can also show a cooperation agreement between PT Sinar Kencana Inti Perkasa and the Karya Tani Farmer Group with the number 016/TBS/PT.SKIP-GKTX/VI/2022 on 7 June 2022 with a validity period of up to 7 June 2023.

Based on document verification, it is known that the agreement has complied with the provisions, as evidenced by the agreement between the two parties, has a time period, and is transparent.

5.1.6

The company can show proof of FFB payments to FFB Suppliers made by PT Sinar Kencana Inti Perkasa to several FFB suppliers, namely:

- Payment of FFB to CV Karya Sari for the period of 27-30 June 2022 which is paid through Bank BRI on 1 July 2022.
- Payment of FFB to the Sungai Kupang Jaya Farmers Association for the period of 27-30 June 2022 which was paid through Bank BRI on 30 June 2022.
- FFB payment to CV Bamega for the period of 27-30 June 2022 which was paid through Bank BRI on 8 July 2022.

Based on the results of interviews with representatives of the Sungai Kupang Jaya Farmers Association and CV Bamega, it is known that so far there have been no complaints regarding the price or payment of FFB made by the Company. Cooperation with the Company is going quite well.

5.1.7

The company can show a certificate of test results from the Department of Cooperatives, Industry and Trade of Kotabaru District on June 17, 2021 for 2 weighbridges, namely:

- Certificate of test results with No. 510.3/036/DISKOPERINDAG/VI/2021 for weigh bridge brand/type Avery Weigh – Tronix / ZM510-SD4 with serial number 182050107 with a test date of 9 June 2021 and an obligation to recalibrate on 09 June 2022 .
- Certificate of test results with No. 510.3/037/DISKOPERINDAG/VI/2021 for Avery Weigh – Tronix/E1205 weigh bridges with serial number 135150609 with a test date of 9 June 2021 and an obligation to recalibrate on 09 June 2022.

The company can show an email from PT MUGI as the re-calibrator on May 24, 2022 explaining that PT MUGI will carry out testing at the Batu Ampar PKS on June 20, 2022. The company can show the results of the re-calibration carried out on June 20, 2022 which states that the scales cannot be calibrated because there are technical defects in both scales. The company has placed an order to repair the damage as evidenced by the Purchase Order document No. 9100640945. Furthermore, there was an email from PT MUGI on July 15, 2022 which stated that the Batu Ampar Mill Recalibration activity with local Metrology would be carried out in early October 2022.

The company has the opportunity to ensure that the process of recalculation activities carried out by PT MUGI with the Metrology of Kotabaru District is positive. (OFI)

5.1.8

The company has conducted socialization related to RSPO with Independent Smallholders around the company. This is evidenced by the results of interviews with the Sungai Kupang Jaya Farmers Group Association. In addition, the company has also taken the coordinates of member farmers to ensure that the farmers' land is not in the forest area. Until now, the Association of Farmers Group is still discussing with the management about future plans to participate in RSPO certification.

5.1.9

The company has a Complaints and Grievance mechanism that is SOP/SMART/SIGS/SADV/I/003 dated July 1, 2014 About Complaint Handling and Dissatisfaction. The SOP described about the method of complaint resolution based on the type of complaint that considers the impact of dissatisfaction based on the number of people who filed complaints, Organizational Levels, Threat Levels and the involvement of external parties to consider which method is effective for resolving the complaints. (Whistleblower) Aspiration data entered is recorded in the form of recording complaints and dissatisfaction.

Based on interviews with the management of the Gajah Mada Cooperative, it is known that all complaints from farmers will be submitted to the company. So far, complaints submitted are submitted directly to the company's PIC and the company always responds.

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 company has conducted socialization related to RSPO with Independent Smallholders around the company. This is evidenced by the results of interviews with the Sungai Kupang Jaya Farmers Group Association. In addition, the company has also taken the coordinates of member farmers to ensure that the farmers' land is not in the forest area. Until now, the Association of Farmers Group is still discussing with the management about future plans to participate in RSPO certification.

5.2.2

As explained in indicator 5.2.1, currently the Company has conducted socialization related to RSPO with Independent Smallholders around the company. This is evidenced by the results of interviews with the Sungai Kupang Jaya Farmers Group Association that the company has conducted socialization related to RSPO certification to representatives of the combined farmer groups. The farmers' livelihood improvement programs carried out by the company only carried out the taking of the coordinates of the farmers' lands from members of the farmer group associations, this was intended so that the FFB from the farmer group associations could be accepted by the company in the hope of improving the livelihoods of the member farmers.

5.2.3

The support provided by the company to encourage the legality of FFB production is by taking the coordinates of the FFB supplier. This aims to ensure that the source of FFB from FFB suppliers comes from legal sources and is not located in forest areas. In addition to the results of a survey conducted by the company, FFB suppliers whose FFB origin from farmers have land legality in the form of SHM and SKT.

5.2.4

Based on the results of document review and interviews, it is known that there is no Plasma in PT Tapian Nadenggan – Batu Ampar POM so this indicator is not relevant.

5.2.5

The company has reported the progress of the farmer's program in the Plantation Business Development Report and the CSR report which was reported to the Kotabaru District government.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

UoC had a Policy concerning on recognition of human rights stated in the Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. The group aims to provide fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace. In employing all employees, the company committed to the principle of equality and would not discriminate or restrict, harassment or exclusion based on human distinctions or the basis of religion, ethnicity, race, ethnicity, group, class, social status, economic status, gender, language, political beliefs.

UoC also showed the record of the company's socialization for instance the socialization which was conducted on 29 October 2021 attended by 54 workers and contractor workers in Batu Mulia Estate. Based on the workers' recruitment document and interviews with the workers, UoC had provided equal opportunities in recruitment and operational activities. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability,

sexual orientation, age, or belief.

Based on the interviews with the gender committee, female workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example, most of pesticide application workers are female workers.

6.1.2

UoC showed job vacancy announcements and work agreement letters between workers and company which showed that there was no payment requested during the recruitment process. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the manpower agency, gender committee, labor unions, and workers (harvesters and mill operators) at BAMB, BAME, and BMLE, it is known that workers have never felt that the company has discriminated against them. It was explained that all activities from recruitment, performance appraisal, and promotion were given equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in labor unions, politics, or age. There was no difference in the communication between superiors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by the superiors. The company also didn't request for any payment during the recruitment process.

6.1.3

During recruitment process, the company had set the standard of competence that required based on the offered position. Selection had include evaluation of skills, performance and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with company regulation including rights of the worker as well. Records on manpower procedure had been documented, as verified randomly to the several documents, here as follows:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of written test, the result of medical check up, and work agreement letter. For example, a worker on behalf of TMO (initial) who started working as a CCTV officer in May 2021.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of MJ (initial) who had a promotion based on worker's appraisal, from division clerk to 3 payroll clerk on 2 May 2022.

6.1.4

Based on field observation, interviews with the management and workers, it is known that there were no discriminatory in pregnancy testing given by the company. The pregnancy test conducted only to ensure that no pregnant workers in any agrochemical works such as pesticide application and fertilizing activities proven by there was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. UoC also showed the list of pregnant women which informed all pregnant workers are placed in non-agrochemical works such as day care officer, teacher, and housing maintenance worker.

Based on the interview with women workers in field, there was no pregnancy test during recruitment process. The pregnancy test only carried out for female workers to make sure that they not do any agrochemical works when pregnant.

6.1.5

Gender committees had been formed and still active until today in BAMB, BAME, and BMLE which are chaired by the coordinator along with the head of gender committee. The structure of the gender committee consists of male and female workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers (especially women).

UoC informed that they also socialized the protection of worker's reproductive rights on 18 December 2021. This procedure stated that if there were any violence or harassment, workers can communicate to the gender committee.

Based on the interviews with several workers, they also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the sexual harassment and domestic violence against women. The activity was carried out twice a year and attended by female workers and housing residents. The results of this socialization can be seen with the absence of sexual harassment in company operational activities and the workers given equal opportunities for all genders (male or female).

6.1.6

Equal payment of wages has been made by the unit of certification properly, by considering the ability, performance, expertise, work period and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the types of work respectively. In addition, based on the documents review of structure and scale wage, it was found that the UoC already had a wage scale structure for each worker based on position and grade (not based on gender or origins).

Based on the interviews with workers (harvesters, maintenance workers, and mill operators), the workers already know that there was a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. Based on the document review of worker's pay slip in both gender and the interviews with the workers in the same grade and same job, it's known that the monthly wages received are in accordance with the grade owned by each worker.

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

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2018 to 2020 written in *Bahasa*. This CLA has been signed by the head of manpower agency of Kotabaru District. This CLA explained the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. It's applied to all workers and had been routinely disseminated by the certification unit to all employees, one of the socializations that was carried out on 29 October 2021 which was attended by 54 participants.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the CLA and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 have been above the minimum wage set by the government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month.

Based on the explanation above, it can be concluded that the workers have understood the work requirements that have been socialized by the certification unit in an understandable language (*bahasa*).

6.2.2

UoC has CLA period 2018 to 2020 provided in *Bahasa* that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave, and other provisions. These all stated in each worker's work agreement. Explanations related to the contents of the company regulation, including:

- Article 6 concerning working time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week in which the total working hours are 40 hours in a week.
- Article 13 concerning wages which explains that the lowest wage of worker couldn't be lower than the minimum wage set by the government every year.

In addition, remuneration is generally stated in company regulation, and specifically stated in a decree explaining these matters, as follows:

- Decree of the Governor of Kalimantan Selatan No. 188.44/0757/KUM/2021 concerning the minimum wage of Kotabaru District in Kalimantan Selatan period of 2022 is Rp. 3,048,796.89/month.
- Management Decree No. 003/CEO PSM 3/01/2022 concerning the minimum wage of contract worker (PKWT) in 2022 is Rp. 3,003,797.-/month and received rice allowance 15 Kg or as much as Rp. 75,000.-/month.
- Structure and Scale of Wage of PT. Tapian Nadenggan permanent worker in 2022 No. 001/CEO PSM 3/01/2022 updated on 1 January 2022. It's known that workers with the lowest wages are employees with PT4 grade and the highest wagers are employees with PT1-A grade.

UoC showed overtime payment in May 2022 to June 2022 that has been in accordance with applicable laws for workers on behalf of RH (initial) as boiler operator, and RE (initial) as security. In the pay slip document, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation.

A review of payslip document (harvester, maintenance worker, security, and mill operators) for May to June 2022, proved that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, workers' wages on behalf of SM (initial), SY (initial), RH (initial), have a different wage based on wage scale structure in 2022 and all wages above the minimum wage. Payslip document gives accurate information on compensation consist of basic wage, allowance, premi/ overtime, working days and deduction.

UoC also showed paid leave letter which showed that maternity leave was given 3 months of paid leave. For example, the paid leave letter on behalf of FB (initial), who had given 3 months (1.5 months before give birth and 1.5 months after give birth) and had been approved by the supervisor on 25 March 2022.

Unit of certification had shown their consistency in this assessment of work agreements that are owned by every worker so there was no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties and the workers' work agreements has in accordance with their work on field.

6.2.3

UoC showed overtime payment in May 2022 to June 2022 that has been in accordance with applicable laws for workers on behalf of RH (initial) as boiler operator, and RE (initial) as security. In the pay slip document, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation.

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Unit of certification had shown their consistency in this assessment of work agreements that are owned by every worker so there was no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties and the workers' work agreements has in accordance with their work on field.

6.2.4

UoC has provided welfare facilities to occupants in the form of housing, water supply, educational facilities, mosque, school, school transportation and other facilities in each unit. Based on the field visit in the housing area, it revealed that workers were provided with adequate housing facilities with and there was daycare for children. The house is inhabited by 1 family.

In addition, the company also provided waste disposal sites for domestic waste management. For health services, the company provides clinics and paramedics. Based on field observations, it's known that the facilities and infrastructure provided for workers are still functioning properly.

In general, the facilities provided by the certification unit are in good condition and sufficient quantities related to the number of workers in each unit. Based on field observation, all housing has well-maintained drainage. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing which repaired if there were damage (usually if there were any damage, the worker will inform it and it will be handled directly by the company).

6.2.5

UoC has provided accessible food sources by providing small cafeteria in the workers' area for lunch. In addition, there were also workers who open small business stalls to sell daily necessities in each housing. Based on the interviews with workers (harvesters and mill operators), labor unions and gender committees, it's known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities. In addition, workers can buy these needs to the markets around the company's area without any difficulties.

6.2.6

In Indonesia there were no living wage standard is established, so UoC still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conducting an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage.

UoC has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2022 has been included in the calculation of housing facility costs, educational cost, daycare facility, health cost, electricity, and water costs. The results of these calculations are known that the standard of prevailing wage currently given / simulated by the certification unit is above the stipulation of the minimum wage in each work type, as follows:

- Contract worker (PKWT): basic salary as much as Rp. 3,048,797 per month and the total wage and inkind benefits are Rp. 4,160,044 per month.
- Permanent worker (PT 4A): basic salary as much as Rp. 3,049,297 per month and the total wage and inkind benefits are Rp. 4,160,586 per month.

Based on interview with works and document verification, the calculation data of prevailing wages is rational in accordance with the local price.

6.2.7

During the assessment, there were still contract workers in main work. The current employee status are permanent workers and contract workers. Based on the document review and interview with the workers, it's known that there were contract workers (PKWT) in permanent works, here as follows:

- Batu Ampar Estate has 24 contract workers in harvesting.
- Batu Mulia Estate has 15 contract workers in harvesting.

UoC then showed the progress of promotion from contract workers (PKWT) to permanent workers (PT) as seen in an e-mail to the management. UoC showed that the total proposed permanent workers are 3 workers, as follows:

- Batu Ampar Estate with 24 contract workers.
- Batu Mulia Estate with 18 contract workers.

Through an email on 30 Mei 2022, the management approved the proposed of 39 contract workers in harvesting to permanent workers (PT).

UoC then showed the management decree No. 001/VPA PSM-3/VI/2022 related to the harvesting workers status validated on 13 June 2022 by the VPA PSM-3. This document stated that the company committed that harvesting worker must be permanent workers (PT 3) and before promoted to be permanent workers, the workers will through the probation and the workers who passed the probation will be promoted to be permanent.

Based on the description above, UoC is encouraged to appoint the contract workers in harvesting works as UoC's plan and committed to UoC's management decree.

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| Status: Comply |
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6.3

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

6.3.1

UoC had a policy concerning on the freedom of association stated in Sinarmas Agri Business and Food Business and Human Rights

Policy validated by the Head of Policy and Compliance Division on 12 December 2019. It stated that the group respects workers' rights to freedom of association and association with other individuals and collectively expresses, encourages, pursues, and defends the common interest. The policy was published in *Bahasa* which can be understood by all employees.

Based on the interviews with labor union representatives in each unit, it explained that the company had given freedom of association and labor unions have been formed. The establishment of the union was in accordance with the applicable laws and regulations and has been recorded in Manpower Agency of Kotabaru District, for instance the Registration Number. 102/Penc/SPM/IX/Disnakertransos of Batu Ampar Mill Labor Union on 10 September 2013. UoC gave the freedom for worker to express their aspiration democratically and there was no intervention against labor union activity.

Based on the document review, it's known that the UoC also documented the number of labor union operating in UoC operations area and its members' number, for instance: Labor Union of Batu Ampar Mill with 148 total members. All workers in mill are the members of labor union. Based on the interviews with labor union members representatives, it's known that there was no force or pressure to be a member of labor union. The membership of labor union was voluntary.

6.3.2

UoC has well-documented the records of meetings between labor unions and management representatives as well as with internal labor union meetings. The following are examples of records of meetings conducted by labor unions in 2022, here as follows:

- The meeting between the labor union in all units and management representative on 17 May 2022 to discuss about the updated CLA draft.
- The internal meeting of labor union (SPM) on 17 May 2022 to talk about wages and incentive article in CLA updated draft.

Based on the interviews with labor union representatives and their members who work in each unit, it's known that the labor union held meetings whenever it's needed. The meetings accommodated in bipartite and internal meeting and there has been no labor issue that brought to Manpower Agency.

6.3.3

Based on the interviews with the labor union representatives, there was no interference in the selection or labor union operational activities. All processes of selecting, decisions making and planning activities, members' aspirations to their representatives run democratically. The worker who is currently placed as the Chairman of the Labor Union in each unit is a worker at mill and estate, then there will be no conflict of interest that occurs with the company because there were no workers who have the authority as decision-makers (staff class and above). UoC also involved the labor union in drafted the collective labor union.

The establishment of the union was in accordance with the applicable laws and regulations and has been recorded at the Manpower Agency. Unit of certification was giving freedom for workers to express their aspirations and did not give any intervention related to labor union activity. Based on the interview with workers, it's known that there were no mandatory to be the member of labor union. The membership of labor union is voluntary.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1

UoC had a policy concerning on children/underage worker protection stated in Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. It stated that the group committed to not employ child labor in any operational activities. Uoc also showed the Policy of recruitment (KHI-smart/001-1) validated on 01 March 2018 by the Managing Director Human Resource which stated that they do not employ underage worker.

UoC then showed that they had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 29 October 2021 attended by 54 workers and contractor workers.

6.4.2

UoC showed the recruitment document in accordance with the recruitment requirements such as application letter of workers on behalf of TMO (initial), statement of police report, identity card (KTP), family identity card (KK) which stated that the worker is above the minimum age of worker.

UoC had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 29 October 2021 attended by 54 workers and contractor workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement.

6.4.3

Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. UoC also did not employ young worker and there were no internship program

6.4.4

UoC had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 29 October 2021 attended by 54 workers and contractor workers. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement.

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| Status: Comply |
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6.5

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

6.5.1

UoC had a policy concerning on reproductive rights and the prevention of sexual harassment and violence stated in GAR Social and Environmental Policy validated on 8 September 2015 by Head of Upstream. This policy stated that every worker is entitled to receive protection against sexual harassment in the workplace and if convicted of sexual abuse, there will be penalized in accordance with applicable regulations.

UoC also showed the record of the company's socialization using the poster posted in UoC's strategic spots. This poster explained the mechanism of all grievances including violence and sexual harassment. However, illiterate people can submit their complaints through the representative of internal stakeholder (gender committee and labor union).

6.5.2

Based on the documents review and interviews with workers (harvesters, maintenance workers, and mill operators), disallowance of sexual harassment, violence, and pregnant worker in any agrochemical activities had been routinely socialized by the management, one of the socialization was carried out on 18 December 2021 which was attended by workers and occupants in Batu Mulia Estate.

Based on the interviews with the gender committee and daycare officer, the company had given about 30 minutes for breastfeeding woman and provided certain place for breastfeeding. There were no grievance or complaint related to sexual harassment during 2021 to 2022.

6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the UoC has provided a certain place for breastfeeding at daycare with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

UoC also showed that they had well-evaluate the needs of pregnant women by periodically identify the needs of new mother and also involved the pregnant workers. UoC then showed the result of new mothers' need identification which was conducted on 1 July 2022 attended by new mothers on behalf of MYY, MDG, and MR (initial). This document informed the needs of new mother, as follows: providing the give birth leave, pregnancy check up, giving birth assistance, and transportation.

6.5.4

UoC showed the procedure to accommodate complaints and grievance from employees specifically in sexual harassment and violence (No. SOP/SMART/GIMS-SCMD/USDV/II/001 validated on 11 April 2017). In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower). UoC also provided whistleblowing by email, company website, and letter to complaint reporting unit for any confidentiality grievance.

Based on the interviews with workers it's known that the workers already have sufficient understanding of the grievance mechanism. Related complaints of sexual harassment can be submitted to the gender committee. In the last year period, there was no complaint related to sexual harassment, violence at work/reproductive rights.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

UoC had a policy concerning on force-labor ban stated in Sinarmas Agri Business and Food Business and Human Rights Policy validated by the Head of Policy and Compliance Division on 12 December 2019. The policy stated that the company respecting human rights and respecting employee rights such as the elimination of discrimination, the prohibition of forced and child labor, fair wage provisions, upholding the principle of gender equality in accordance with legal norms, and respecting the freedom of labor union.

UoC also showed the policy of recruitment (KHI-smart/001-1) validated on 01 March 2018 by the Managing Director Human Resource which informed that workers do not take any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents. UoC then showed that on each work agreement between the certification unit and the contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors.

Based on the interviews with manpower agency, gender committee, labor union, and workers at Mill and Estates, it's known that workers have never felt discriminated and forced to work by the company. There were no significant obstacles related to employment or violations of company regulations. UoC provided output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on pay slip document and foreman notes of harvesters daily output, the harvesters have earned more than daily output target and the wages the harvesters received was above the minimum wage.

There was no pressure/forced in doing overtime work, workers who had overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation.

6.6.2

Based on documents review and interviews with the manpower agency, gender committee, labor union, and workers at BAMB, BAME, and BMLE, it's known that there was no migrant worker in all units. UoC still have workers with contract status (*PKWT*) for few works such as maintenance and harvesting. All the rights for each employment status has been distinguished for workers with contract status (*PKWT*) and the permanent status (*PKWTT*). There was no discrimination between contract workers and permanent 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 Ratification Decree:

- BAME
Decree of the Ratification of Changes in the Committee for the Trustees of Occupational Safety and Health of PT Tapan Nadenggan Batu Ampar Estate No. 566/197/Was-NKT/2020 in July 2020 with the Secretary is Muhammad Irfan with OHS Decree No 5/1435/AS.02.04/VII/2019 dated July 24, 2019 valid for 3 years. At the time of the audit, the personnel concerned had been transferred to another unit so that the company showed evidence of sending the Request for Change in the Structure of the Chairperson and Secretary of OHS Committee to the Manpower and Transmigration Office of Kalimantan Selatan Province on 26 April 2022. The OHS Committee secretary became Enggar Kartiko with OHS Decree No. 5/690/AS.01.03/II/2022 dated 17 February 2022 valid for 3 years.
- BMLE
Decree of the Authorization of Changes in the Committee for the Trustees of Occupational Safety and Health of PT Tapan Nadenggan Batu Mulia Estate No. 566/38/Was-NKT/2022 in May 2022 with Secretary is Asep Royadhy with OHS Decree No. 5/7645/AS.02.04/VIII/2020 dated 27 August 2020 valid for 3 years.
- BAMB
Decree of the Authorization of Changes in the Committee for the Trustees of Occupational Safety and Health of PT Tapan

Nadenggan Batu Ampar Mill No. 566/222/Was-NKT/2021 dated 30 September 2021 with Secretary is Kardianto Novika with OHS Decree No. 5/10469/AS.02.04/XII/2019 dated December 16, 2019 valid for 3 years.

Meeting Minutes

- Minutes of the OHS Committee meeting for December 2021 on December 20, 2021 in the BAMM meeting room briefly discussed:
 - Anticipate the covid-19 virus
 - PPE monitoring
 - Monitoring employees who are out of town (red zone)
- Minutes of the OHS Committee meeting in January 2022 on January 14, 2022 in the Big Office Meeting Room (BAME) which briefly discusses monitoring and checking PPE and making internal purchase requests for PPE that is damaged or unfit for use.
- Minutes of the OHS Committee meeting in March 2022 on March 15, 2022 in the BMLE Meeting Room which briefly discussed the refilling of APAR, administration related to employee work accidents, monitoring the discipline of using PPE.

Based on the explanation above, it is concluded that the company already has an OHS organization with an adequate number of personnel in accordance with the laws and regulations.

6.7.2

The unit of certification shows emergency and work accident response procedures which are documented in Indonesian and are listed in:

- SOP for handling accidents and occupational diseases (SOP/SMART/HESS-EHSD-10).
- SOP for Emergency Preparedness and Response (SOP/SMART/General/SADV/I/005).

The company also has personnel who have attended First Aid Officer training. For example:

- No. Ser.3596/PK3-P3K/VI/2019 - M. Ridlo Zulhan
- No. Ser.3600/PK3-P3K/VI/2019 - Kasmito
- No. Ser.3597/PK3-P3K/VI/2019 - Mustakim
- No. Ser.3599/PK3-P3K/VI/2019 - Dodik Abdullah
- No. Ser.3598/PK3-P3K/VI/2019 - Christina Meti Nuhan

The company also showed record of the First Aid training on January 17, 2020 at BMLE which was attended by Nurses, SPO Officers and First Aid Officers. In addition, based on the results of field visits, it is known that the company has completed first aid kits for workers in the field by providing a first aid bag brought by the foreman. Based on the results of the field visit, it was also found warnings of evacuation routes and gathering points in the Estate Office and Mill areas.

6.7.3

The company has shown PPE Matrix Documents for Estate and Mills. The document describes the type of PPE that must be worn for each type of work. For example, in harvesting work, the PPE that must be used is a helmet, goggles, combination gloves, and boots. Based on the results of field observation in the Block G35 BMLE, it is known that workers have used PPE according to company standards. In addition, the worker also explained that if the PPE is damaged, the worker can report it to the foreman to ask for the replacement of the PPE.

Based on the video results of the field visit to the Batu Ampar Estate, it is known that there is a storage area for PPE and spray equipment as well as sanitation facilities for employees after the spraying work is completed. Based on the results of field visits and interviews with workers, it is known that workers have used PPE completely and company management always monitors workers regularly regarding the use of PPE properly and correctly.

6.7.4

UoC provided health services such as clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided due to medical services for workers are in proper condition. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it's known that total workers in June was 1,071 total workers (314 workers in BMLE, 609 workers in BAME, and 148 workers in BAMM) and it revealed that all workers were registered in the BPJS program. The BPJS has been paid for all workers in accordance with the number of total workers in its payment period, proven as follows:

- BPJS (Health Insurance) payments for Batu Ampar Mill have been completely fulfilled and the last proof of payment is on 8 July 2022 for period of June 2022.
- BPJS (Health Insurance) payments for Batu Mulia Estate have been completely fulfilled and the last proof of payment is on 16 June 2022 for period of June 2022.
- BPJS (Social Security Insurance) payments for Batu Mulia Estate have been completely fulfilled and the last proof of payment is on 29 June 2022 (period of June 2022) for 314 workers in BMLE.
- BPJS (Social Security Insurance) payments for Batu Ampar Estate have been completely fulfilled and the last proof of payment is on 24 June 2022 (period of June 2022) for 609 workers in BAME.
- BPJS (Social Security Insurance) payments for Batu Ampar Estate have been completely fulfilled and the last proof of payment is on 8 July 2022 (period of June 2022) for 148 workers in BAMB.

Based on the interviews with workers (harvesters, pesticide applicators, and mill operators) and labor union, they informed that they had the acknowledgement of their involvement in BPJS program and they also held the BPJS card.

6.7.5

The company has recorded work accidents using Lost Time Accident (LTA) for each unit, for example the results of the 2021 LTA recording are as follows:

| Unit | FR | SR | LTA |
|------|----|----|-----|
| BAMB | 0 | 0 | 0 |
| BAME | 2 | 7 | 2 |
| BMLE | 0 | 0 | 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 shown an integrated pest control plan contained in the SOP / SMART /MCAR/ VII / TA-HPT) which aims as a guide in Integrated Pest Management activities as one of the activities in the process of treating oil palm plants. The job description explains the work stages of Pest and Disease Control which are presented briefly as follows. The Early Warning System stages consist of Detection and Census. Detection aims to determine as early as possible the occurrence of pest attacks including insects and vertebrates, if a pest or disease attack is found, then a census is carried out. Detection activities are carried out periodically every 2 months.

The company shows the implementation of the Integrated Pest Management plan, for example as follows:

- Recapitulation of rat attack census data and monitoring of BAME rodenticide applications in January and April 2022 revealed that there were no rat attacks that exceeded the threshold so that no rodenticide was applied.
- The results of the detection of BMLE Palm Leaf Feeding Caterpillars, for example Division 2 Block I34 on 28 June 2022, did not find any signs of pest attack.
- The results of the detection of BMLE Rat, for example Division 3 Block E45 on 23 April 2022, did not find any signs of pest attack.
- The results of field visits at BAME and BMLE did not reveal signs of massive pest attacks.

7.1.2

Based on the results of document review and field observations via video, it was found that the company had used *tyto alba* as a natural enemy of pests and beneficial plants including *turnera subulata* and *antigonon*. All of these species are not classified as invasive species according to the Minister of Environment and Forestry No. P.94/MENLHK/SETJEN/KUM.1/12/2016, so it can be concluded that there is no use of invasive species for pest control.

7.1.3

Based on document review, field observation, as well as interview with the workers and external stakeholders, it is known that the company did not use fire for pest control.

Status: Comply

7.2

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

7.2.1; 7.2.5

Based on the results of a review of the pesticide use list document, for example in 2021, it is known that the company has used pesticides selectively to deal with targeted pests and weeds or diseases. The pesticides used for example as follows:

| Merk | Active Ingredients | Target | Permit Number | WHO | LD50 |
|-----------------|---------------------------------------|---|------------------|-----|-------|
| Erkafuron 20 WG | Metsulfuron-Methyl 20% | Broad-Leafed Weeds | RI.032012277 | U | 2,000 |
| Garlon 670 EC | Tryclopyr butoxy ethyl ester: 670 g/l | Broadleaf weeds and woody weeds | RI.0103011984695 | III | 5,000 |
| Starane 290 EC | Fluroxypyr 295 g/l | Broad-Leafed Weeds, Narrow-Leafed Weeds | RI.0103011988854 | U | 2,000 |
| Rollfos 150 SL | Ammonium Glufosinate 150 g/l | Broad-Leafed Weeds, Narrow-Leafed Weeds | RI.0103012013683 | III | 4,000 |
| Garlon 306 EC | Tryclopyr butoxy ethyl ester: 306 g/l | Broadleaf weeds and woody weeds | RI.031998104 | III | 5,000 |
| Roll Up 480 SL | Glyphosate Isopropylammonium 480 g/l | Broad-Leafed Weeds, Narrow-Leafed Weeds | RI.032012283 | III | 5,000 |

Based on the results of the document review, it is known that there is no use of pesticides that are included in the World Health Organization (WHO) Class 1A or 1B list or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

7.2.2

The company already has records of all pesticides used, for example the use of Roll Up at BAME in 2022 as follows:

- Active Ingredients: Isopropilamina Glifosat 480 g/l
- LD50: 5,000
- Application Area: 718.70 Ha
- Active Ingredients/ Ha: 480 g/Ha
- Total Applications: 718.70 L

7.2.3

As part of reducing the use of pesticides, the company has integrated biological control in pest control, for example by using beneficial plants aimed at controlling Palm leaf eating caterpillar pests and tyto alba for controlling rat pests. Based on the results of field observations on BAME and BMLE, it is known that the beneficial plant in a well-maintained condition and planted on the edge Street.

7.2.4

Based on the results of the study of pesticide use documents, it is known that there is no use of pesticides for the purpose of controlling animal pests which is in line with the study of pest detection and census documents that there is no pest attack that exceeds the economic threshold. Thus, it can be concluded that there is no use of pesticides for prophylactic purposes in the company.

7.2.6

The company shows evidence of training to the spray team, for example training records related to how to use the sprayer, MSDS and GSEP to the BMLE spray team on 22 March 2022.

In addition, based on the results of field visits and interviews with the BAME and BMLE spray teams, it was found that workers could briefly explain how the spray works safely and how to handle it in case of an emergency.

7.2.7

The results of field observations of chemical storage warehouses on BAME and BMLE, it is known that chemical storage warehouses are in accordance with Government Regulation number 74 of 2001 concerning the Management of Hazardous and Toxic Materials. Among them are equipped with hazard symbols, ventilation, adequate lighting, emergency response facilities and infrastructure, process flow for receiving and releasing chemicals, MSDS, storage of pesticides are grouped by type and available secondary containment which is clean.

7.2.8

Based on field observations at the Chemical Warehouse, as well as interviews with operators in each Plantation and Factory, it is known that used pesticide containers will be stored in temporary shelters for Hazardous and Toxic waste which were built with OHS and environmental aspects in mind. The water used for rinsing will be reused as mixing water for chemical activities.

Based on the results of field visits to employee housing areas, it was found that there were no traces of used pesticide packaging, for example as water reservoirs or flower pots.

7.2.9

Based on the results of interviews with management representatives, it is known that the company does not apply pesticides by air.

7.2.10

Labor Health Examination Procedure No. SOP/SMART/HESS-EHSD/SADV/II/012 dated July 1, 2014, the procedure briefly describes the health inspection program for spray workers and chemical storage warehouses, including *Cholinesterase* and *Spirometry* tests.

The company can show records of the implementation of special medical examinations for spray workers and chemical storage warehouse officers in 2022 which were carried out by company doctors which included *Cholinesterase* examinations while *Spirometry* examinations could not be carried out due to the potential to increase the spread of the *Covid-19* virus.

Companies are encouraged to be able to carry out special *Spirometry* health checks if the situation has been identified as safe and with due observance of health protocols. (OFI)

7.2.11

The company has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding.

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

7.3

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

7.3.1

The company shows identification of waste sources for the 2021/2022 period with details: ex sacks of fertilizer, inner plastic of fertilizer sack, used oil from generator, used neon/lights, wastewater, EFB, Shell, fiber, domestic waste, paper and others.

Sources of emissions include:

- CO₂ Gas: Transportation of FFB, CPO Shipping, Operation of heavy equipment, operation of generator & electric pumps, management of WTP, boilers, laboratory activities, waste ponds and Mill processes.
- Gas NO₂ & SO₂: Activities in the laboratory.
- Gas CH₄: Fertilizing activities and WWTP ponds.

Hazardous and Toxic waste

Hazardous Waste generated by the Estate and Factory will be stored in the Temporary Storage of Hazardous Waste owned, then it will be transported by a licensed third party which will then be handed over to the licensed Hazardous Waste manager. The company has a permit for temporary storage of B3 waste in accordance with the Permit of the Regent of Kota Baru Number 503/0832/PSLB3-P-DPMTSP/2020 concerning the permit for temporary storage of hazardous and toxic waste (B3) PT Tapian Nadenggan in Kelurahan/Desa Tegal Rejo, Kelumpang District Downstream of Kotabaru District, Kalimantan Selatan Province on September 29, 2020 with a validity period of 5 years, namely until September 28, 2025.

In terms of transporting hazardous waste, the company cooperates with a licensed hazardous waste carrier, namely PT Sinar Bintang Albar. The company can show a cooperation agreement with the carrier, namely the Cooperation agreement number 001/SMART/NKL3/XII/2016 which was agreed on December 5, 2016 with the validity period of the agreement as long as the plantation and mill are still operating in accordance with the applicable laws and regulations.

The company has shown proof of delivery to licensed carriers and collectors, namely PT Sinar Bintang Albar with transportation using vehicle No. DA 8607 PN. On April 30, 2022, hazardous and toxic waste (LB3) has been delivered from the following units:

- Used oil as much as 1,215 Tons with Manifest KLHK-1655360596
- 0.06 Tons of Medical Waste with Manifest KLHK-1655361525
- Used packaging as much as 0.45 Tons with KLHK-1655358921 Manifest.
- Used battery as much as 0.23 Ton with Manifest KLHK-1655559745
- Used Majun as much as 0.015 Ton with KLHK Manifest-1655359249

Solid Waste

The solid waste produced by the company is shell, fiber and EFB. The management plan is carried out by reusing solid waste such as shells and fiber to be reused as boiler fuel. Meanwhile, solid waste such as EFB is reused by applying it to plantation areas. This is evidenced by the results of field visits during audit activities that the company has utilized shells and fiber for boiler fuel, while EFB is reused for plantation land.

POME

POME generated from the factory is reused for Land Applications. Before being channeled to LA, POME is first managed at the WWTP with the aim that the quality of POME that is flowed to LA is in accordance with the provisions. This is evidenced by the results of field visits at the WWTPs, it is known that before being distributed to LA, POME is first in the WWTPs, besides that there are no indications of environmental pollution by the company.

Domestic Waste

Domestic waste generated from housing and offices will be disposed of in Landfills. This is evidenced by the results of field visits to the Landfills area that the domestic waste generated will be placed in landfills. In addition, the location of landfills is far from residential areas and water sources.

7.3.2

Based on interviews with company management, Manager of BAME and BMLE and Head of Hazardous and Toxic Waste Warehouse POM and Estate, it is known that they have understood the handling of waste disposal, especially hazardous and toxic waste and non-hazardous and toxic waste in accordance with the procedures owned by the management unit. Based on the results of field visits to residential areas, it is known that there is no use of hazardous and toxic waste as water reservoirs. In addition, domestic waste management is in accordance with company procedures.

7.3.3

Based on the results of document verification, interviews and field visits, the following evidences were obtained:

- SOP for Waste Management with Number SOP/SMART/LEMS-EHSD/SADV/II/002 dated July 2, 2014 explains that waste management is carried out with the internal provisions of Sinar Mas plantations and applicable laws and regulations refer to the clean production mechanism approach that applies several principles, among others:
 1. Reduce, Reuse, dan Recycle (3R)
 2. Zero Burning

3. Disposal

- The results of interviews with company representatives revealed that the company has a policy forbidding the destruction of domestic waste by burning and the policy has been socialized to employees in housing and there has also been a warning board prohibiting the burning of domestic waste.
- However, based on the results of field observations in the Batu Ampar Mill housing area, it is known that there are 6 points of burning domestic waste.

Based on this evidence, there is still domestic waste management by burning which is not in accordance with the procedures that have been owned by the company. **NCR 2022.01 with Minor Category.**

7.3.3 Status: NCR 2022.01 with Minor Category

7.4

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

7.4.1

In accordance with the results of the previous audit, the company still has procedures related to planting fertility management which are listed in Technical SOP-IK for Oil Palm Cultivation from land preparation to harvesting compiled by the MCAR (Management Committee Agronomy and Research) team in 2020. This SOP discusses the procedures for implementing fertilization in nurseries, fertilizing legumes, inorganic fertilization in TBM, empty long-range fertilization, LSU and SSU collection, fertilizer quality control, FS fertilization, airplane fertilization, empty long-range fertilization, compost fertilization, ash, POME in Producing Plants, POME quality control.

The company shows implementation records including:

- Based on video observations, it is known that the company uses the pruned fronds placed in racking area as an alternative nutrient.
- The company applies POME on the land, for example according to field observations on the LA area in Block H09 BAME.

7.4.2

Soil and leaf sampling was analyzed regularly by SMARTRI to determine the nutritional status of soil and leaf, and to be guided in the preparation of annual manuring program recommendation. Soil is analyzed when the age of the plant is 3, 5, 8 years and continued once every 5 years and 1 year before replanting. Leaf was analyzed annually. Soil and leaf sampling was taken from each estate. Organization has defined work instructions for LSU (Leaf sampling unit) IK/SMART/MCAR/IX/TA- PPK/05-LSU sampling and for SSU (Soil Sampling Unit) IK/SMART/MCAR/IX/TA-PPK/06- SSU take. Last LSU and SSU taken by SMARTRI in all estate. Evidence of periodic leaf sample analysis in Memorandum of Laboratory Analysis Results. For example:

Leaf Analysis Results

- Results of Laboratory Analysis (BAME) No. 152/DAUN/LAB_SMARTRI/IV/2022 dated April 19, 2022 against 48 samples with analyzed parameters including: N, P, K, Mg, Ca, B, Cl.
- Results of Laboratory Analysis (BMLE) No. 461/DAUN/LAB_SMARTRI/VI/2021 dated 17 June 2021 on 2 samples with analyzed parameters including: N, P, K, Mg, Ca, B, Cl.

Soil Analysis Results

- Results of Laboratory Analysis (BAME) No. 126/TANAH/AL/ANLZ/05/20 dated 11 May 2020 on 48 samples with analyzed parameters including: Texture, pH, C. Organic, Total N, P, K, Mg Cad, Exchange Base, P-Bray, CEC, H-AI Swap.
- Results of Laboratory Analysis (BMLE) No. 043/TANAH/AL/ANLZ/02/22 dated 17 February 2022 to 63 samples with analyzed parameters including: Texture, pH, Organic C, Total N, P, K, Mg Cad, Exchange Base, P-Bray, CEC, H-AI Swap.

7.4.3

The company demonstrates a strategy for recycling nutrients as an alternative nutrient source by using POME and EFB on land, for example at BAME in 2022 as follows:

| Month | POME | | EFB | |
|---------|-----------|--------|----------|--------|
| | M3 | Ha | Ton | Ha |
| Januari | 20,678.00 | 166.76 | 3,038.87 | 101.30 |

| | | | | |
|----------|-----------|--------|----------|--------|
| Februari | 18,500.00 | 149.19 | 2,082.97 | 69.43 |
| Maret | 23,535.00 | 189.80 | 2,494.88 | 83.16 |
| April | 21,343.00 | 172.12 | 2,676.04 | 89.20 |
| Mei | 16,018.00 | 129.17 | 3,026.57 | 100.89 |

7.4.4

Based on the results of the document review, for example in 2021 it is known that the fertilizers recommended and used in 2021 include Urea, NPK, Kieserite, RP, TSP, MOP, Borate, Kaptan and Dolomite, the fertilizer that used and applied is in accordance with recommendation (achievement 100%).

The company can show fertilization documentation, for example the total use of BMLE fertilizer per December 2021 is 924.15 Tons with a production of 4,369.84 Tons so that the realization of fertilizer use is 0.212 Ton/Ton FFB.

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1

The company already has maps that identify marginal and fragile soils, including steep slopes such as the Semi Detailed Soil Map no. RPMNP/21/07/214/011 (BMLE) Scale 1: 50,000 and Semi Detailed Soil Map No. RPMNP/22/07/214/021 (BAME) Scale 1: 50,000. Based on the study of the map document, it is known that the soil types include: *aquic hapludults*, *typic hapludults*, *sulfic endoaquepts*, and *typic sulfaquepts* with slopes of 0 – 16% (BMLE) and 0 – 40% (BAME) with land suitability S2 (Sufficiently Appropriate), S3 (Marginal Appropriate) and N (Not Appropriate).

7.5.2

Based on the results of field visits in replanting areas, for example Block H13 for Planting Year 2021, BAME did not find any replanting of land with steep slopes.

7.5.3

The results of the study of the area statement document revealed that the company did not carry out new planting activities and only carried out replanting activities.

Status: Comply

7.6

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

7.6.1

The company already has maps that identify marginal and fragile soils, including steep slopes such as the Semi Detailed Soil Map no. RPMNP/21/07/214/011 (BMLE) Scale 1: 50,000 and Semi Detailed Soil Map No. RPMNP/22/07/214/021 (BAME) Scale 1: 50,000. Based on the study of the map document, it is known that the soil types include: *aquic hapludults*, *typic hapludults*, *sulfic endoaquepts*, and *typic sulfaquepts* with slopes of 0 – 16% (BMLE) and 0 – 40% (BAME) with land suitability S2 (Sufficiently Appropriate), S3 (Marginal Appropriate) and N (Not Appropriate).

Based on the results of the study of the area statement document, it was found that the company did not carry out new plantation development activities and only carried out replanting activities.

7.6.2

Based on the results of the study of the area statement document, it was found that the company did not carry out new plantation development activities and only carried out replanting activities.

7.6.3

Based on the results of the study of the area statement document, it was found that the company did not carry out new plantation development activities and only carried out replanting activities.

| | |
|--|----------------|
| | |
| | Status: Comply |
| 7.7 | |
| No new planting on peat, regardless of depth after November 15th, 2018 and all peatlands are managed responsibly. | |
| 7.7.1; 7.7.2; 7.7.3; 7.7.4; 7.7.5; 7.7.6; 7.7.7 | |
| Based on the results of the study of the Semi Detailed Soil Map document no. RPMNP/21/07/214/011 (BMLE) Scale 1: 50,000 and Semi Detailed Soil Map No. RPMNP/22/07/214/021 (BAME) Scale 1: 50,000. It is known that there are no types of peat soil as for the types of soils including: <i>aquic hapludults</i> , <i>typic hapludults</i> , <i>sulfic endoaquepts</i> , and <i>typic sulfaquepts</i> . | |
| | Status: Comply |
| 7.8 | |
| Practices maintain the quality and availability of surface and ground water | |
| 7.8.1 | |
| The company has implemented a water management plan consisting of: | |
| <ul style="list-style-type: none"> Do not apply chemicals in river border areas Do not dispose of POME into the river but reuse it on plantation land. Before being used, POME is first managed in the WWTP so that its quality meets the standards set by the government. Utilizing water for factory processing in accordance with the standards set by the company. Conduct river water quality testing. | |
| Based on field observations in the HCV area of the Setangga River Border of Batu Ampar Estate, it can be seen that the company has managed water sources by installing signboards as HCV areas and painting on oil palm trees as spray boundaries. | |
| The company already has a surface water quality monitoring program which is conducted every semester by an accredited Laboratory of KAN (LP-001-IDN) on October 1, 2021. The monitoring location is on a river for the scope of the company's operational areas, namely the upstream and downstream Serongga Rivers. Currently the company is testing surface water using quality standards that refer to PP RI No. 22 of 2021 for class II water. The results of the test will then be reported to the relevant Office through the RKL-RPL Report every semester. In general, all tested parameters are in accordance with the provisions of PP RI No. 22 of 2021 for class II water. | |
| The company has also tested the quality of clean water carried out by a KAN accredited Laboratory (LP-001-IDN) on October 1, 2021 with Quality Standards in accordance with Permenkes No. 32 of 2017. The results of the tests were carried out on Water Intakes and Employee Housing. Based on the test results, it is known that all test parameters are in accordance with the provisions of Permenkes No. 32 of 2017. | |
| The results of observations and interviews with workers show that the company has also provided access to clean water for workers by providing hygienic water for drinking and water for daily needs. | |
| 7.8.2 | |
| Wet streams in the company area are protected by the company. This is evidenced by the results of field observations in the area of the Setangga river border in the Batu Ampar Estate, it is known that the river border is protected by the company. Some of the activities carried out by the company are placing red signs as limits for chemical application and planting <i>Pulai</i> , <i>Mato</i> , <i>Cempedak</i> plants, etc. In addition, there are no traces of chemical application in the tributary border. | |
| 7.8.3 | |
| The company can show a document of the results of measuring the quality of liquid waste that is applied to the land, namely the document of the results of testing liquid waste for the period June 2021 – May 2022. The test is carried out by a KAN accredited laboratory (LP-448-IDN) using quality standards that refer to the Minister of Environment Decree No. 28 of 2003. Based on the results of the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards. For example, the test results in the period April 2022 with the results of BOD 995.6 (BM: <5,000) and pH 7.71 (BM: 6-9). In addition, the test results in the period December 2021 with the results of BOD 1,942 (BM: <5,000) and pH 7.33 (BM: 6-9). | |

- The company already has a technical recommendation letter for the extension of the liquid waste utilization permit based on the Decree of the Kotabaru Regent No. 660/035/BLHD/2016 dated December 27, 2016 concerning Utilization of Wastewater in Soil at PT SMART Tbk's Oil Palm Plantation Located in Serongga Village, Kelumpang Hilir Sub District, Kotabaru District which is valid for 5 (five) years (extension is in the process). The company has sent a letter of application for an extension and a directive on technical approval for the fulfillment of wastewater quality standards for use on oil palm plantations on 27 December 2021 to the Kotabaru District Environmental Service. Furthermore, the company can show a reply letter from the Kotabaru District Environmental Service with Number 660/34/DLH-PTKL/I/2022 on January 11, 2022 regarding the technical approval process for fulfilling wastewater quality standards. The letter explains that:
 - In the implementation of the Minister of Environment and Forestry Regulation No. 5 of 2021, it is stated that every business / activity that is required to be AMDAL or UKL-UPL that carries out activities for the disposal or utilization of waste water is required to have technical approval and SLO.
 - Licensing for the use of waste water on the PT Tapian Nadenggan- Batu Ampar MILL oil palm plantation which was previously owned for integrated adjustments with environmental documents provided that the use of wastewater has included technical standards for fulfilling wastewater quality standards.
 - The adjustment is carried out by compiling a technical study on the utilization of waste water to the ground as contained in the Minister of Environment and Forestry Regulation No. 5 of 2021 as a requirement for the application for technical approval and SLO.

Then the company can show a follow-up to the letter from the Kotabaru District Environmental Service by sending a letter of application for the issuance of technical approval for the use of waste water for application to land with letter number 003/DL-TN/VI/2022 on June 29, 2022 and has been sent on 30 June 2022 and has been received by the Kotabaru District Environmental Service with proof of receipt. The letter also includes the following documents:

- Document of technical study on the use of waste water for application to the ground in accordance with the attachment of Minister of Environment and Forestry No. 5 of 2021
- Letter of recommendation from Serongga Village and Kelumpang Hilir Sub District.

Until the recertification assessment is carried out, the technical approval for the use of waste water on the soil and the SLO from the Kotabaru District Environmental Service has not yet been issued. The company has the opportunity to ensure that the process of issuing technical approvals for the use of waste water on soil and SLO from the Kotabaru District Environmental Service is positive. (OFI in 2.1.1).

Based on the results of interviews with the Environmental Service regarding the management of liquid waste at WWTPs, there were no issues related to environmental pollution, the results of interviews with people from villages around the company also stated that there was no pollution from liquid waste produced by the company.

Based on the results of field observations in the Land Application area of Block H09 Division 3 Estate BAME, it is known that the location of the liquid waste application on the land is in accordance with the location stated in the Land Application permit, besides that there is no indication of overflowing liquid waste that is flowed. The results of observations at WWTP also found that liquid waste has been managed at WWTP, there is a pond to manage liquid waste, there is no indication of leakage and overflow in the WWTP pond and a flow meter to calculate the amount of liquid waste that flows into the application area is available and functioning properly.

7.8.4

The use of water for oil palm processing is listed in the Batu Ampar Mill water usage record document in 2021 (January-December) which is recapitulated every month by the mill assistant. Records of water usage per ton of FFB used are 132,535 m3 with a total processed FFB of 220,892 tons. The water budget set by the company is 139,888 m3. Based on the results of document verification, it is known that the use of water for the treatment process is still in accordance with the water budget set by the Company.

The company already has a surface water utilization permit based on the Surface Water Utilization Permit (SIPA) No. 503/15/SIPA/DS-DPMPTSP/VI/2020 from the Investment and One Stop Service Office of Kalimantan Selatan Province dated June 18, 2020 which is valid from August 1, 2020 to July 31, 2023. The permit does not specify the maximum debit amount allowed.

Status: Comply

7.9

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

7.9.1

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

The company has Energy efficiency documents for the period July 2021 – June 2022 for the use of fossil fuels or the use of renewable fuels. The calculation of efficiency with the use of fossil fuels during the period July 2021 – June 2022 is concluded as follows: FFB Processed as much as 169,342 tons using renewable fuels such as shells of 1,811 tons and fiber of 21,168 tons. The turbine produced from the use of Shell and Fiber is 7,434,444 Kwh or 43.90 Kwh/Ton FFB, while the generator used is 824,933 Kwh. The efficiency of renewable energy used by the company is 90.00%.

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 minimize GHG emissions.

7.10.1

The company also has conducted GHG emission calculations period 2020 (January-December) use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

Summary of Net GHG Emissions

| Emission per product | tCO2e/tProduct |
|----------------------|----------------|
| CPO | 3.66 |
| PK | 3.66 |

| Production | t/yr |
|---------------|------------|
| FFB processed | 195,653.73 |
| CPO produced | 36920 |
| PK produced | 9558.7 |

| Extraction | % |
|------------|-------|
| OER | 18.87 |
| KER | 4.89 |

| Land use | Ha |
|----------------------------------|----------|
| Planted area on mineral | 20464.03 |
| Planted on peat | 0 |
| Total area planted | 20464.03 |
| Conservation Area (Forested) | 0 |
| Conservation Area (Non-Forested) | 831.10 |
| FFB Production per hectare | 10.79 |

Summary of field emission and Sinks

| Description | Own crop | | Group | | 3 rd Party | Total |
|-------------------------------|----------|----------------|----------|----------------|------------|-----------|
| Emissions Sources | tCO2e | tCO2e/ tFFB | tCO2e | tCO2e/ tFFB | tCO2e | |
| Land conversion | 34061.42 | 0.70 | 76351.98 | 1.48 | 0.00 | 110413.40 |
| CO2 emissions from fertilizer | 1748.84 | 0.04 | 10891.89 | 0.21 | 0.00 | 12640.73 |
| NO2 emissions from peat | 0 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| NO2 from Fertilizer | 1371.55 | 0.03 | 9872.49 | 0.68 | 0.00 | 11244.03 |
| Fuel consumption | 1103.91 | 0.02 | 1223.40 | 0.02 | 0.00 | 2327.32 |
| Peat oxidation | 0 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| Sinks | | | | | | |

| | | | | | | |
|------------------------------------|------------------|--------------|-----------------|-------------|------------------|------------------|
| Crop sequestration | -50114.66 | -1.03 | -82678.61 | -1.60 | 0.00 | -132793.27 |
| Sequestration in Conservation area | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | -11828.94 | -0.24 | 15661.15 | 0.30 | 127403.53 | 131235.74 |

Summary Oil Mill Emissions and Credits

| Remarks | tCO ₂ e | tCO ₂ e/t FFB |
|----------------------------|--------------------|--------------------------|
| Emissions sources | | |
| POME | 38351.44 | 0.20 |
| Fuel consumption | 667.23 | 0.00 |
| Grid electricity | 0.00 | 0.00 |
| Credits | | |
| Export of grid electricity | 0.00 | 0.00 |
| Sales of PKS | 0.00 | 0.00 |
| Sales of EFB | 0.00 | 0.00 |
| Total | 39018.68 | 0.20 |

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

The company also has conducted GHG emission calculations period 2021 (January-December) use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

Summary of Net GHG Emissions

| Emission per product | tCO ₂ e/tProduct |
|----------------------|-----------------------------|
| CPO | 0.62 |
| PK | 0.62 |

| Production | t/yr |
|---------------|------------|
| FFB processed | 223,215.50 |
| CPO produced | 42105 |
| PK produced | 11175 |

| Extraction | % |
|------------|-------|
| OER | 18.86 |
| KER | 5.01 |

| Land use | Ha |
|----------------------------------|----------|
| Planted area on mineral | 16534.24 |
| Planted on peat | 0 |
| Total area planted | 16534.24 |
| Conservation Area (Forested) | 0 |
| Conservation Area (Non-Forested) | 691.09 |

FFB Production per hectare 19.00

Summary of field emission and Sinks

| Description | Own crop | | Group | | 3 rd Party | Total |
|------------------------------------|-----------|------------|-----------|------------|------------|-----------|
| Emissions Sources | tCO2e | tCO2e/tFFB | tCO2e | tCO2e/tFFB | tCO2e | |
| Land conversion | 34030.28 | 0.62 | 49084.95 | 0.68 | 0.00 | 83115.23 |
| CO2 emissions from fertilizer | 3383.81 | 0.06 | 2035.24 | 0.03 | 0.00 | 5419.05 |
| NO2 emissions from peat | 0 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| NO2 from Fertilizer | 2383.82 | 0.04 | 1676.66 | 0.02 | 0.00 | 4060.48 |
| Fuel consumption | 534.25 | 0.01 | 961.31 | 0.01 | 0.00 | 1495.55 |
| Peat oxidation | 0 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| Sinks | | | | | | |
| Crop sequestration | -50076.93 | -0.91 | -45917.57 | -0.63 | 0.00 | -95994.50 |
| Sequestration in Conservation area | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | -9744.77 | -0.18 | 7840.58 | 0.11 | -9564.42 | -11468.61 |

Summary Oil Mill Emissions and Credits

| Remarks | tCO2e | tCO2e/t FFB |
|----------------------------|----------|-------------|
| Emissions sources | | |
| POME | 43754.02 | 0.20 |
| Fuel consumption | 950.75 | 0.00 |
| Grid electricity | 0.00 | 0.00 |
| Credits | | |
| Export of grid electricity | 0.00 | 0.00 |
| Sales of PKS | 0.00 | 0.00 |
| Sales of EFB | 0.00 | 0.00 |
| Total | 44704.77 | 0.20 |

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

The auditor team has verified the GHG palm that has been carried out by the company. Based on the verification results, it is known that the GHG palm input data is in accordance with the actual conditions. This is evidenced by the results of verification of the amount of FFB production from the Batu Ampar Estate, Batu Mulia Estate, planted area of the Batu Ampar Estate and Batu Mulia Estate and the distribution of planting years, as well as the area of HCV. GHG emissions in 2020 will be higher than in 2021. This is due to the company doing replanting in 2020 and the use of renewable fuels is increasing.

7.10.2

No new planting activities after 2014, the company did not conduct new land clearing activities or development of operational areas.

7.10.3

Based on document review and interviews with company representatives, it was found that there were no new developments. The company has identified the source of pollution in the mill and estate, the document informs the source (station/activity), source of

pollution and emission, impact (human, work equipment, environment) and impact control. For example, from the boiler it produces boiler ash, steam and chemical pollution, from the engine room it produces pollution in the form of noise.

Efforts to reduce pollutants carried out by the company include:

- Monitoring air quality and emissions from boilers and generators
- Carry out liquid waste management in WWTPs before being used in plantations
- Perform regular machine maintenance.
- Optimizing the use of fertilizers according to recommendations
- Use of fibre and shells in mills to reduce diesel fuel.

The company has carried out emission testing from boilers and generators, as well as ambient air quality which was carried out in semesters 1 and 2 of 2021 by a KAN accredited laboratory (LP-001-IDN). Based on the results of the document review, it is known that the results of the tests carried out are in accordance with the provisions stipulated by the Government.

Status: Comply

7.11

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

7.11.1

Based on the results of the review of the Minutes of Replanting Work Inspection document from PT Lingkar Orbit Nusantara dated June 2, 2022 on SPK No. BAME/JKTO/02/19/003-LP (Roads, Trenches and Soil Conservation), it is known that replanting activities include: felling and chipping, eradication holes, planting holes and trenching, and soil conservation in the form of double terraces. So, it can be concluded that the company did not prepare the land for replanting by burning.

7.11.2

The company shows Proof of sending the KTD BAME Activity Report for semester 1 of 2022 to the Kotabaru District Agriculture Office on June 15, 2022 and Proof of sending the KTD BMLE Activity Report for semester 1 2022 to the Kotabaru District Agriculture Office on 22 June 2022, in the report informing about monitoring the condition of the equipment. monthly emergency preparedness and response, fire patrol reports through monitoring towers, fire hazard maps and Emergency Response Team structures, identification of land fire vulnerability levels, fire prone area patrols,

7.11.3

The company can show evidence of involving stakeholders for fire prevention and control such as socialization related to forest and land fires which was carried out during the consultation on 13-14 April 2022 in several villages namely Batu Ampar Village, Langadai Village, Serongga Village and Pantai Village as well as employees and Management. In addition, the company also showed a recording of fire prevention and patrol socialization involving local officials on November 13, 2021 in the BMLE Division 2 area.

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 and 7.12.8

Based on document verification, it is known that the company carried out land clearing in 2005-2007. The company has prepared a Land Use Change Analysis (LUCA) for PT Tapian Nadenggan and has sent it to the RSPO. Companies can show an email from the RSPO (kling.suli@rspo.org) on 22 August 2019. The email explains that several companies under GAR include Batu Ampar Mill with Batu Ampar Estate and Batu Mulia Estate having a total riparian zone affected area of 0 Ha and the total remediation area is 0 Ha.

7.12.2

The company has identified high conservation value areas listed in the PT Tapian Nadenggan HCV identification report for the Batu Ampar Estate unit conducted in November 2011 by the Biodiversity and Conservation Section Certification Department Policy and Compliance Division. Based on the results of the identification in 2011, there were 393.47 hectares of HCV in the company's area. In 2017 there was a change in the area of the HCV area due to the area being controlled by the Mine. Based on this, the company determined the HCV area to be 249.39 Ha. The details of the HCV areas are:

- HCV 1.1 and 4.1 *Setangga* River Border Covering an Area of 76.7 Ha
- HCV 1.2 and 1.3 *Bekantan* Habitat covering an area of 78.36 Ha
- HCV 4.1 and 4.3 *Rawa Pasang Surut* covering an area of 94.33 Ha.

For the Batu Mulia Estate unit, the Company has identified a high conservation value area listed in the PT Tapian Nadenggan HCV identification report for the Batu Mulia Estate unit conducted in November 2011 by the Biodiversity and Conservation Section Certification Department Policy and Compliance Division. Based on the results of the identification in 2011 there are HCV areas in the company's area of 255.20 Ha. The details of the HCV areas in Batu Mulia Estate are:

- HCV 1.1 and 1.2 Buffer Area Nature Reserve Area of 172.48 Ha
- HCV 4.1 and 4.3 *Area Rawa Pasang Surut* of 82.72 Ha
- HCV 6 Grave/Sacred area.

Both reports have been conducted by Peer Review by Ir. Nyoto Santoso and the HCV identification assessment team are RSPO-approved HCV assessors (Norman Faried M., Kusuma Widya R., and Bambang Setiaji).

Based on document verification, it is known that the company did not develop new land after 15 November 2018 so that the HCS assessment is not mandatory for the Company.

7.12.3

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

7.12.4

The company already has a HCV management and monitoring plan for 2022. The HCV management and monitoring plan is prepared based on the 2019-2024 HCV management and monitoring Master Plan document. The Master Plan was prepared based on the results of a management review of the previous period's HCV management and monitoring and was prepared by involving stakeholders such as the community and employees in July 2019. The HCV management and monitoring plan is as follows:

Batu Ampar Estate

- Monitoring and maintenance of the condition of the warning board
- Monitoring and maintenance of spray limit marks
- Erosion-resistant plant care
- KBKT boundary sign maintenance
- HCV socialization
- Monitoring endangered/protected wildlife
- HCV area patrol.

Batu Mulia Estate

- Boundary setting
- Boundary sign maintenance
- Spray limit signage
- Socialization
- Installation of HCV warning boards
- Rehabilitation
- Maintenance of rehabilitation plants
- HCV security

The HCV management and monitoring plan for 2022 is evaluated annually and the results of the 2021 evaluation and evaluation results will be used as input in the management and monitoring of HCVs in 2022.

The company has identified the High Conservation Value area of the Batu Mulia Estate unit in 2011. Based on the results of the identification, there is an HCV 1.1 area in the form of a buffer area of a Nature Reserve covering an area of 172.48 Ha. The buffer area of the Nature Reserve is designated as an HCV area because there is a Nature Reserve area around the plantation area with

environmental conditions in the area having been in the form of oil palm plantations and residential areas since 1984. The determination of the area to become an HCV area takes into account the precautionary aspect.

Based on the results of a field visit to the HCV 1.1 area of the Nature Reserve Buffer in Block I41 Division 2 Batu Mulia Estate, it is known that the area has been planted with oil palm with the planting year 2017. The company can show justification in the form of a certificate from VPA PSM 3 which explains several things, including the:

- In 2016 the company monitored the massive encroachment of the nature reserve area by the community. Seeing this condition, the company has made an approach by socializing to the community about the importance of maintaining protected areas or nature reserves.
- Seeing the condition of the nature reserve which is no longer in a protected condition and has the potential to become a threat to the Buffer Zone area if it is not managed and utilized by the company, then based on these considerations it was decided to do replanting with the aim that the buffer zone area is always maintained and managed according to the principle's conservation principles.
- Utilization of the Nature Reserve buffer area by planting oil palm plantations/ replanting does not violate the regulations based on PP No. 28 of 2011 concerning the management of nature reserves and nature conservation areas in Article 45 Paragraph 3 and Article 46.

The company can also show a report on the implementation of HCV management and monitoring for the 2nd semester of 2016 which explains that based on the results of field monitoring in the 2nd semester of 2016, the land cover of most of the Batu Mulia Estate area is generally dominated by oil palm plantations that have experienced low cropping, and has reached 1 cycle of palm oil so that several blocks will be ready for replanting in each unit. In addition, around the Batu Mulia Estate area, there are also palm plantations belonging to the surrounding community and coal mining activities. It is feared that this could be a threat to the sustainability of the HCVs in the Batu Mulia Estate.

Based on the results of interviews with company representatives, it is known that the buffer area of the Nature Reserve that has been replanted is still designated as an HCV area by the company while continuing to manage and monitor the area.

The company has the opportunity to ensure the implementation of the HCV management and monitoring plan in the buffer area of the Nature Reserve in accordance with the statement letter from the PSM 3 VPA, namely that it is maintained and managed according to conservation principles (OFI).

The audit team has also verified OFI on the previous assessment. The results of the verification revealed that the company had enriched tree species in the HCV area, such as vertiver grass, bamboo and Guatemala grass.

7.12.5

Based on the study of documents in the 2009 HCV identification report document, field observations and the results of consultations with relevant agencies and interviews with surrounding communities, it is known that there is no community arable land that is used as a conservation area. However, the company has received support from the community around the company (Desa Pantai and Desa Langadai) for the management of the HCV area of PT Tapian Nadenggan on December 9, 2021. The agreement contains community support for the company's HCV area management program.

7.12.6

The company has a program to educate the workforce about RTE species status. The program is also included in the Company's HCV management plan. The program includes activities to increase knowledge and skills (for all staff and plantation employees, especially special officers in charge of managing HCV/HCV and monitoring important species, especially endangered species).

The company routinely conducts socialization to the community and workers in the company regarding the existence of endangered plants and animals, which is carried out in conjunction with the socialization of HCV areas, for example:

- The socialization of HCV including the presence of flora and fauna to 44 surrounding communities was carried out on December 9, 2021.
- HCV socialization including the presence of flora and fauna to 52 employees was carried out on December 9, 2021.

Based on interviews with harvesting and spraying officers at the Batu Ampar Estate and Batu Mulia estate, it was found that the

company forbade workers to maintain protected animals and plants and was prohibited from catching, hunting, and killing animals as well as prohibiting the destruction of HCV areas.

7.12.7

The status of HCV and HCS forests, other natural ecosystems, peatland conservation areas, and RTE species has been monitored by the company. The monitoring activities carried out by the company are listed in the 2021 HCV management and monitoring implementation document. The results of the activities carried out by the company are as follows:

- Monitoring of flora and fauna is carried out in accordance with applicable SOPs and there are still some protected species (fauna) in the PT Tapan Nadenggan area.
- The results of monitoring and patrolling the presence of HCV in PT Tapan Nadenggan showed no disturbances during the 2021 monitoring period.
- Socialization activities regarding the HCV area have been well carried out to employees and the community around PT Tapan Nadenggan.
- Monitoring and clearance of invasive species in HCV areas has been carried out manually.

The follow-up to the results of the monitoring carried out are as follows:

- It is necessary to complete documentation of maintenance activities for warning boards, boundary markings, cleaning of invasive species and other activities.
- Increase socialization activities to staff, employees, and the community by adding information on rehabilitation activities that have been carried out in the HCV area.

Based on the evaluation results, it is known that the implementation of HCV area management is going quite well. The follow-up to the evaluation results is used as input for the management and monitoring of the HCV area in the next period. The results of interviews with the company's PIC, the results of the evaluation carried out will be used as input for the implementation of monitoring HCV and RTE Species for the next period.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

| 1. | Evidence of permission or approval certificate and logo from Certification Body which submitted by Client | X or√ |
|--------------------------|---|-------|
| ASA-1.3 + ASA-1.4 | The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00 | ✓ |
| | Status: Comply | |
| 2. | Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use | X or√ |
| ASA-1.3 + ASA-1.4 | The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00 | ✓ |
| | Status: Comply | |
| 3. | Implementation of Certificate and Logo is not used on product | X or√ |
| ASA-1.3 + ASA-1.4 | The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00 | ✓ |
| | Status: Comply | |
| 4. | Controlling of Certificate and Logo, including withdrawing inappropriate logo. | X or√ |
| ASA-1.3 + ASA-1.4 | The Mill does not use RSPO Trademark on its product (on-product) and non-product (off-product). PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00 | ✓ |
| | Status: Comply | |

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Golden Agri-Resources, Ltd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 5.5.3. A summary of findings is as stated below.

Golden Agri-Resources, Ltd Time Bound Plan (TBP) is explained in table 1.5. Golden Agri-Resources run forty nine (49) mills and one hundred and eighty (180) estates (own and smallholders) in Indonesia and has achieved RSPO certified for thirty-one (31) mills and supply base in Indonesia. Golden Agri-Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri-Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri-Resources, Ltd on 17 January 2022 made by Head of Operations Sustainability.

MUTU has verified partial certification for uncertified unit's subsidiary of Golden Agri-Resources, Ltd based on their Time Bound Plan. There are eighteen (18) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above.
- The company has followed RSPO requirements regarding the New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor disputes that are not resolved through an agreed process.
- All plantations established since 2005 have been carried out in accordance with applicable laws in the country and there is no evidence of non-compliance with the law in any of the non-certified holdings that have not been declared above.

| 2.1 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? | <p>Company Group/Holding Statement: The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set-up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> 1. PT Sawitakarya Manunggul – Sawita Mill: Pre-Audit 2015, Compliance Audit 24 - 31 May 2021 2. PT Smart Tbk – Bukit Kapur Mill: Pre-Audit 2015, Compliance Audit 15 November 2021 3. PT Sinar Kencana Inti Perkasa – Kasuari Mill: Pre-Audit 2015, Compliance Audit 11 October 2021 4. PT Agrolestari Mandiri – Pekawai Mill: Pre-Audit 2015, Compliance Audit 01 March 2021 5. PT Binasawit Abadi Pratama – Perdana Mill: 14 June 2021 6. PT Agrokarya Prima Lestari – Kuayan Mill: Pre-Audit 2014, Compliance Audit 13 September 2021 7. PT Mitrakarya Agroindo – Tangar Mill: Pre-Audit 2015, Compliance Audit 27 September 2021 8. PT Paramita Internusa Pratama – Belian Mill: Pre-Audit 2015, Compliance Audit 28 June 2021 9. PT Kresna Duta Agroindo – Rantau Panjang Mill: Compliance Audit 01 November 2021 |

| 2.1 Un-Certified Units or Holdings | | |
|------------------------------------|-------------|---|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>10. PT Kresna Duta Agroindo – Gunung Kombeng Mill: Compliance Audit 15 February 2021</p> <p>11. PT Sawit Mas Sejahtera – Sungai Kikim Mill: <i>Setup System</i>. Compliance Audit 20 September 2021</p> <p>12. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 25 October 2021.</p> <p>13. PT Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 6 December 2021</p> <p>14. PT Bangun Nusa Mandiri – Kenari Mill: Compliance Audit 4 October 2021.</p> <p>15. PT Agrolestari Sentosa – Jalemo Mill: Compliance Audit 11 October 2021</p> <p>16. PT Adi Tunggal Mahajaya – Sako Mill: Compliance Audit 8 November 2021.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit:</p> <ol style="list-style-type: none"> 1. PT Sawitakarya Manunggul (Sawita Mill and supply base) compliance audit on 24 - 31 May 2021. 2. PT SMART (Bukit Kapur Mill and supply base) compliance audit on 15 November 2021. 3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base) compliance audit on 11 October 2021. 4. PT Agrolestari Mandiri (Pekawai Mill and supply base) compliance audit on 01 March 2021. 5. PT Binasawit Abadi Pratama (Perdana Mill and supply base) compliance audit on 14 June 2021. 6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base) compliance audit on 13 September 2021. 7. PT Mitra Karya Agroindo (Tangar Mill and supply base) compliance audit on 27 September 2021. 8. PT Paramitra Internusa Pratama (Belian Mill and supply base) compliance audit on 28 June 2021. 9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) compliance audit on 01 November 2021. 10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) compliance audit on 15 February 2021. 11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) compliance audit on 20 September 2021. 12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) compliance audit on 25 October 2021. 13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) compliance audit on 6 December 2021. 14. PT Bangun Nusa Mandiri (Kenari Mill and supply base) compliance audit on 4 October 2021. 15. PT Agro Lestari Sentosa (Jalemo Mill and supply base) compliance audit on 11 October 2021. 16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021. |

| 2.1 Un-Certified Units or Holdings | | |
|---|--|---|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR and the internal audit plan to be carried out on these units can be shown, with details as follows:</p> <ol style="list-style-type: none"> 1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA with an internal audit plan on 17 May 2022. 2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA with an internal audit plan on 17 May 2022. 3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022. 4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022. 5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill (PT Bumi Permai Lestari) that has been certified with an internal audit plan on 28 March 2022. 6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma Lestari Persada) that has been certified with an internal audit plan on 8 August 2022. 7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa) with an internal audit plan on 7 November 2022. <p><i>Notes:</i> Verification of the realization of the internal audit carried out on the newly acquired units will be carried out at the nearest RSPO surveillance audit activity with the internal audit schedule that has been set.</p> |
| 2.1.2 | No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12 | <p>Company Group/Holding Statement: Several companies under GAR were planted above November 2005, while the HCV assessment process was conducted in the period 2010 – 2013.</p> <p>GAR and its subsidiaries carried out a Remediation and Compensation (RaCP) procedure beginning with Disclosure and Zero Liability reporting to the RSPO via email on 29 August 2014.</p> |

| 2.1 Un-Certified Units or Holdings | | |
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| | | <p>From 25 companies, 7 of them are certified units, the remaining 18 companies are uncertified units. The following is an update on the RaCP progress as of 11 January 2022 for uncertified units:</p> <p>a) 4 companies have received Concept Note approval from RSPO dated 27 July 2020, namely:</p> <ol style="list-style-type: none"> 1. PT Kencana Graha Permai (Delima Estate) – Kalimantan Barat 2. PT Agrolestari Sentosa – Kalimantan Tengah 3. PT Sumber Indah Perkasa – Papua 4. PT Kresna Duta Agroindo – Kalimantan Timur <p>The company submitted a new Concept Note in collaboration with a third party (PT Lestari Capital). Concept Note Batch 1 includes companies:</p> <ol style="list-style-type: none"> 1. PT Kencana Graha Permai (Delima Estate) – Kalimantan Barat 2. PT Sumber Indah Perkasa – Papua 3. PT Kresna Duta Agroindo – Kalimantan Timur <p>The latest progress on the revised Concept Note was submitted on 14 January 2022 and is currently still being reviewed by the RSPO Compensation Panel.</p> <p>The company also made the Concept Note Project Batu Menangis for PT Agrolestari Sentosa – Kalimantan Tengah, was submitted on 16 December 2021 to RSPO Compensation Panel.</p> <p>b) The LUCA (Land Use Change Analysis) report which is still in the RSPO review process:</p> <ol style="list-style-type: none"> 1. PT Kartika Prima Cipta – Kalimantan Barat 2. PT Agrolestari Mandiri – Kalimantan Barat <p>c) The LUCA (Land Use Change Analysis) report is in the process of being revised and will be sent to the RSPO:</p> <ol style="list-style-type: none"> 1. PT Cahaya Nusa Gemilang – Kalimantan Barat 2. PT Paramitra Internusa Pratama – Kalimantan Barat 3. PT Bangun Nusa Mandiri – Kalimantan Barat 4. PT Persada Graha Mandiri – Kalimantan Barat 5. PT Satya Kisma Usaha (Medan Sari Estate) – Kalimantan Tengah 6. PT Binasawit Abadi Pratama – Kalimantan Tengah 7. PT Aditunggal Mahajaya – Kalimantan Tengah 8. PT Mitrakarya Agroindo – Kalimantan Tengah 9. PT Agrokarya Primalestari – Kalimantan Tengah 10. PT Buana Adhitama – Kalimantan Tengah 11. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan 12. PT Sawita Karya Manunggul – Kalimantan Selatan |

| 2.1 Un-Certified Units or Holdings | | |
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| Section | Requirement | Concerns to Discuss, if any |
| | | <p>d) The LUCA (Land Use Change Analysis) report has been approved is PT Satya Kisma Usaha (Batang Gading Estate) – Jambi.</p> <p>The LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains Satisfactory status from the HCVRN, is PT Sawit Mas Sejahtera – Sumatera Selatan (2 reports).</p> <p>HCV assessments for 17 reports was conducted in the period of 2010 to 2018 by external (consultant) and internal parties. The HCV assessment is carried out by a team assessor with a Team Leader who has been approved by the RSPO. The reference for the HCV assessment using the HCV Toolkit 2008. The peer review is carried out by an independent consultant who has also been approved by the RSPO.</p> <p>Assessment of PT Sawit Mas Sejahtera – Sumatera Selatan has used Integrated HCV-HCS with the consultants who have been licensed in HCVN and HCSA</p> <p>The company continues to follow up on the RaCP process, so that the RSPO timebound for uncertified units can be realized immediately.</p> <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated 04 August 2021, including:</p> <ol style="list-style-type: none"> 1. PT Kruing Lestari Jaya 2. PT Harapan Rimba Raya 3. PT Rimbaraya Tamajaya 4. PT Agrolestari Subur Sejahtera 5. PT Agrolestari Hijau Sentosa 6. PT Kharisma Riau Sentosa Prima 7. PT Mitranusa Permata <p>The company is still collecting information and documentation regarding the fulfillment of RaCP obligations for the newly acquired company. The timeline that has been prepared for the fulfillment of this RaCP is:</p> <ul style="list-style-type: none"> • Submission of Disclosure and LUCA on semester 1 of 2022 • Submission of Concept Notes on Semester 2 of 2022 • Approval RaCP Proposal on Semester 1 of 2023 <p>For the RaCP process, smallholders scheme will be adjusted to the 2023 timebound along with the new acquisition company.</p> <p>Auditor Verification: Based on auditor verification, not all uncertified unit conduct new clearing after Nov 2005, but for uncertified unit with land clearing</p> |

| 2.1 Un-Certified Units or Holdings | | |
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| | | <p>after Nov 2005 has follow RaCP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> 1. PT Kencana Graha Permai - Kalimantan Barat (Delima Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel. 2. PT Agrolestari Sentosa – Kalimantan Tengah (Jalemo Estate, Manuhing Estate, Kajui Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted the Concept Note Project Batu Menangis on 14 January 2022 and is currently still being reviewed by the RSPO Compensation Panel. 3. PT Sumber Indah Perkasa – Papua (Mambuk Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel. 4. PT Kresna Duta Agroindo – Kalimantan Timur (Gunung Kombeng Mill, Rantau Panjang Estate) concept note get approval from RSPO on 27 July 2020. However, the company submitted a new Concept Note in collaboration with PT Lestari Capital on 14 January 2022, and is currently still being reviewed by the RSPO Compensation Panel 5. PT Kartika Prima Cipta – Kalimantan Barat (Muara Tawang Estate), the LUCA report which is still in the RSPO review process. 6. PT Agrolestari Mandiri – Kalimantan Barat (Pekawai Mill and supply bases), the LUCA report which is still in the RSPO review process. 7. PT Cahaya Nusa Gemilang – Kalimantan Barat (Kenanga Estate), LUCA report is in the process of being revised and will be sent to the RSPO. 8. PT Paramitra Internusa Pratama – Kalimantan Barat (Belian Mill, Belian Estate and Tengkawang Estate), LUCA report is in the process of being revised and will be sent to the RSPO. 9. PT Bangun Nusa Mandiri – Kalimantan Barat (Kenari Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO. 10. PT Persada Graha Mandiri – Kalimantan Barat (Kapuas Hulu Estate and Sungai Beran Estate), LUCA report is in the process of being revised and will be sent to the RSPO. 11. PT Satya Kisma Usaha – Kalimantan Tengah (Medan Sari Estate), LUCA report is in the process of being revised and will be sent to the RSPO. 12. PT Binasawit Abadi Pratama – Kalimantan Tengah (Perdana Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO. |

| 2.1 Un-Certified Units or Holdings | | |
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| | | <p>13. PT Aditungal Mahajaya – Kalimantan Tengah (Sungai Ayawan Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>14. PT Mitrakarya Agroindo – Kalimantan Tengah (Tangar Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>15. PT Agrokarya Primalestari – Kalimantan Tengah (Kuayan Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>16. PT Buana Adhitama – Kalimantan Tengah (Sa[iri Estate and Bukit Dua Estate), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>17. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan (Sungai Magalau Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>18. PT Sawita Karya Manunggul – Kalimantan Selatan (Sawita Mill and supply bases), LUCA report is in the process of being revised and will be sent to the RSPO.</p> <p>19. PT Satya Kisma Usaha – Jambi (Batang Gading Estate), the LUCA report has been approved in 12 November 2021.</p> <p>20. PT Sawit Mas Sejahtera – Sumatera Selatan, the LUCA report proposed to be hold/postponed until the Integrated HCV HCS Report obtains Satisfactory status from the HCVRN.</p> <p>21. The companies were acquired by GAR on 2021 are PT Kruing Lestari Jaya (Sungai Perak Mill and supply bases), PT Harapan Rimba Raya (Sungai Kedang Mill and supply bases), PT Rimbaraya Tamajaya (Sungai Pahu Estate), PT Agrolestari Subur Sejahtera (Bukit Permai Estate), PT Agrolestari Hijau Sentosa (Bukit Lestari Estate), PT Kharisma Riau Sentosa Prima (Kharisma Estate), PT Mitranusa Permata (Sungai Manunggul Estate). The company is still collecting information and documentation regarding the fulfillment of RaCP obligations.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>Company Group/Holding Statement:</p> <p>GAR and its subsidiaries planted after January 2010. There are companies that had conducted the RSPO New Planting Procedure (NPP) and have gone through a 30-day public consultation process in April 2014. These companies include:</p> <ol style="list-style-type: none"> 1. PT Satya Kisma Usaha – Jambi 2. PT Kresna Duta Agroindo – Kalimantan Timur 3. PT Mitra Karya Agroindo – Kalimantan Tengah 4. PT Binasawit Abadipratama – Kalimantan Tengah 5. PT Aditungal Mahajaya – Kalimantan Tengah 6. PT Agrolestari Sentosa – Kalimantan Tengah 7. PT Agrokarya Primalestari – Kalimantan Tengah 8. PT Buana Adhitama – Kalimantan Tengah 9. PT Agrolestari Mandiri – Kalimantan Barat 10. PT Paramitra Internusa Persada – Kalimantan Barat 11. PT Persada Graha Mandiri – Kalimantan Barat 12. PT Bangun Nusa Mandiri – Kalimantan Barat |

| 2.1 Un-Certified Units or Holdings | | |
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| Section | Requirement | Concerns to Discuss, if any |
| | | <p>13. PT Kartika Prima Cipta – Kalimantan Barat 14. PT Kencana Graha Permai – Kalimantan Barat 15. PT Cahaya Nusagemilang – Kalimantan Barat</p> <p>Auditor Verification: Based on auditor verification, not all uncertified unit conduct new clearing after January 2010 but for all uncertified unit with land clearing after January 2010 has follow NPP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> 1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base): there is no new land clearing after January 2010 2. PT Agrolestari Mandiri (Pekawai Mill and supply base): NPP on 26 April 2014 3. PT Binasawit Abadi Pratama (Perdana Mill and supply base): NPP on 8 July 2014 4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base): NPP on 26 April 2014 and PT Buana Adhitama (supply base) conduct NPP on 4 June 2014. 5. PT Mitra Karya Agroindo (Tangar Mill and supply base): NPP on 26 April 2014 6. PT Paramitra Internusa Pratama (Belian Mill and supply base): NPP on 3 June 2014, PT Kartika Prima Cipta (supply base) conduct NPP on 8 July 2014 and PT Persada Graha Mandiri (Supply base) conduct NPP on 6 June 2014. 7. PT Sawit Mas Sejahtera (Sungai Kikim and supply base): there is new planting after January 2010 in Sungai Kikim Estate and Sungai Saling Estate, the company not conduct NPP. This is become subject of sanction. For PT Buana Sawit Mas (supply base) conduct NPP on 8 July 2014. 8. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base): there is no new land clearing after January 2010. 9. PT Agro Lestari Sentosa (Jalemo Mill and supply base): NPP on 26 April 2014 10. PT Adi Tunggal Mahajaya (Sako Mill) (under construction): NPP on 25 April 2014, PT Agrokarya Prima Lestari (supply base) conduct NPP on 26 April 2014 and PT Mitra Karya Agroindo (supply base) conduct NPP on 26 April 2014. 11. PT SMART (Bukit Kapur Mill and supply base): there is no new land clearing after January 2010. 12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014. 13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base): NPP on 8 July 2014. 14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company not conduct NPP. This is become subject of sanction. |
| 2.1.4 | Land conflicts, if any, are being resolved through a mutually agreed | Company Group/Holding Statement: |

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| | process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8 | <p>No land conflicts. The company has a land conflict resolution mechanism in accordance with the RSPO criteria 4.2, 4.6, 4.7 and 4.8. This procedure is contained in the SOP for handling social conflicts with the registration number SOP/SMART/SCRD/NSDV/I/002 revision 1 dated 18 May 2016 and SOP for Handling Complaints and Dissatisfaction no SOP/SMART/GIMSSCMD/USDV/I/001 revision 2 dated April 11, 2017. This procedure regulates mutually agreed upon social conflict resolution. Conflict resolution can be done in a participatory manner and can also be done with a third party (mediator).</p> <p>The company also has a procedure for handling complaints before they develop into conflict. The process in question is SOP/SMART/GIMS-SCMD/USDV/I/001 revision 2 dated 11 April 2017, handling complaints appropriately and quickly. GAR has initiated to become a member of the RSPO DSF as a "Grower" category.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> 1. Complaint dated July 11, 2021 to PT SMART Tbk (West Kalimantan Region) regarding the alleged purchase/supply of fresh fruit bunches (FFB) and crude palm oil (CPO) from PT Kapuasindo Palm Industri (PT KPI), a subsidiary of the Kencana Group (not members of the RSPO), who have committed a series of violations against workers and indigenous peoples in the district. Last Status RSPO Complaints Panel has issued a decision letter regarding the complaint on 17 January 2022 in which it was decided to terminate the entire complaint. The decision letter has been submitted to both parties, and time is given if anyone wishes to appeal until April 11, 2022. (RSPO Complaint Panel Decision is attached). 2. Complaint on 2 March 2020 to GAR (Central Kalimantan Region) from Forest Peoples Program & Elk Hills Research regarding alleged land legality and bribery cases. On the part of GAR itself, GIS-2 analysis for land clearance alerts after November 2014 from discussions with RSPO GIS manager on 21 May 2021 has agreed on the sampling method. GAR's clarification report was sent on September 8, 2021. As for the legal review on anti-bribery policies & practices, the company rejected the ToR for Legal Review on March 26, 2021. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 15, 2021, the RSPO is waiting for the results of a review from the consultant. 3. Complaint on 19 October 2018 to GAR (Kapas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) & Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO |

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| | | <p>Complaint Panel decided to proceed with further investigations. The investigation carried out will be fully funded by the RSPO, and carried out by PROFUNDO Parties. Until now the company is still waiting for a further decision from the RSPO. The latest status is as of December 6, 2021, the RSPO is waiting for the results of a review from the consultant.</p> <p>4. Complaint on 13 October 2014 to PT Kartika Prima Cipta (West Kalimantan) from Forest Peoples Program (FPP) & Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding the FPIC process and 6 other issues. RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders, phase 4 related to FPIC and phase 5 related to HCV), where GAR has responded to phase 5 on 26 August 2021. The information submitted has responded to all stages and GAR is currently waiting for a decision from the RSPO Complaint Panel. The latest status as of 15 December 2021, the RSPO Complaint Panel has reached a decision for phase 2 and is awaiting discussion of phases 3 and 4.</p> <p>5. The results of the Compliance Audit conducted for the 2021 period in the uncertified unit that there was no land conflict and the unit had disseminated the SOP for Handling Complaints and Dissatisfaction, Human Rights Policy and SOP for Handling Social Conflicts both internally and externally, in general the FPIC process has been carried out according to procedures, so that there are no land or social conflicts.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is no land conflicts in the following uncertified management unit:</p> <ol style="list-style-type: none"> 1. PT Sawitakarya Manunggul (Sawita Mill and supply base) 2. PT SMART (Bukit Kapur Mill and supply base) 3. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base) 4. PT Agrolestari Mandiri (Pekawai Mill and supply base) 5. PT Binawit Abadi Pratama (Perdana Mill and supply base) 6. PT Agrokarya Prima Lestari (Kuayan Mill and supply base) 7. PT Mitra Karya Agroindo (Tangar Mill and supply base). 8. PT Paramitra Internusa Pratama (Belian Mill and supply base) 9. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base). 10. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base). 11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) |

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| Section | Requirement | Concerns to Discuss, if any |
| | | <p>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</p> <p>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base)</p> <p>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base)</p> <p>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base)</p> <p>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base)</p> <p>17. PT Kruing Lestari Jaya (Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA)</p> <p>18. PT Harapan Rimba Raya (Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA).</p> <p>19. PT Rimbaraya Tamajaya (Sungai Pahu Estate and Sungai Pahu KKPA), which will be supply base for Sungai Kedang Mill.</p> <p>20. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill that has been certified</p> <p>21. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill that has been certified</p> <p>22. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill that has been certified</p> <p>23. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be the supply base of Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</p> <p>Based on the auditor's search through news from the internet, no information on land conflicts was found in the above uncertified management unit. However, on the RSPO website (Complaint Panel) there is information about complaints from various stakeholders against GAR and this has been explained by the company regarding the progress of the settlement as described above.</p> |
| 2.1.5 | Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2 | <p>Company Group/Holding Statement:</p> <p>The company has a procedure for handling employee complaints before becoming into conflicts. The procedure is SOP/SMART/SCRD/NSDV/II/002 revision 1 dated 18 May 2016.</p> <p>Procedures related to employee complaints are regulated in the internal flow of form because employees are included in the category of internal stakeholders. The media of complaint used is an official letter submitted through the worker union or put in the suggestion box provided in strategic locations.</p> <p>During 2021, there were no new complaints regarding employment through the RSPO website, as for the progress of previous complaints, they have closed status.</p> |

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| | | <p>Auditor Verification:</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p> |
| 2.1.6 | Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 | <p>Company Group/Holding Statement:</p> <p>Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/I/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Subsidiaries of GAR which still on going to process HGU consist of:</p> <ol style="list-style-type: none"> 1. PT Djuandasawit Lestari (Muara Kandis Estate & Muara Tawas Estate) 2. PT Sawit Mas Sejahtera (Sawit Mas Estate) 3. PT Bumi Sawit Permai (Bumi Sawit Estate) 4. PT Forestralestari Dwikarya (Tanjung Rusa Estate) 5. PT Sumber Indah Perkasa (Sungai Buaya Estate, Sungai Merah Estate) 6. PT Ivo Mas Tunggal (Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate, Nenggala Estate) 7. PT Buana Wiralestari Mas (Kijang Estate, Nagamas Estate, Nagasakti Estate) 8. PT Ramajaya Pramukti (Ramarama Estate) 9. PT Binasawit Abadipratama (Perdana Estate, Lenggana Estate, Semandau Estate, Muara Dua Estate) 10. PT Agrokarya Prima Lestari (Muara Tawang Estate, Kuayan Estate, Bukit Sentuhai Estate, Tajur Beras Estate, Seranau Estate) 11. PT Buana Adhitama (Sapiri Estate) 12. PT Agrolestari Sentosa (Manuhing Estate, Kajui Estate) 13. PT Mitra Karya Agroindo (Sungai Nusa Estate) 14. PT Aditunggal Mahajaya (Sungai Ayawan Estate) 15. PT Satya Kisma Usaha (Medang Sari Estate) 16. PT Buana Adhitama (Bukit Dua Estate) 17. PT Agrolestari Sentosa (Jalemo Estate) 18. PT Binasawit Abadipratama (Perdana Mill) 19. PT Agrokarya Prima Lestari (Kuayan Mill) 20. PT Mitrakarya Agroindo (Tangar Mill) 21. PT Agrolestari Sentosa (Jalemo Mill) 22. PT Adi Tunggal Mahajaya (Sako Mill) 23. PT Smart Tbk. (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill) 24. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Kenari Plasma, Gahari Plasma, Kenari Plasma) |

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| Section | Requirement | Concerns to Discuss, if any |
| | | <p>Beside that, there are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> 1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma) 2. PT Ramajaya Pramukti (Ramarama Plasma) 3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma) 4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma) 5. PT Djundasawit Lestari (Pandawa Plasma) 6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma) 7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma) 8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma) 9. PT Sawitakarya Manunggul (Sawita Plasma) 10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma) 11. PT Kresna Duta Agroindo (Rantau Panjang Plasma) 12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma) 13. PT Paramitra Internusa Pratama (Belian Plasma) 14. PT Paramitra Internusa Pratama (Muara Tawang KKPA) 15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA) 16. PT Mitrakarya Agroindo (Sulin Plasma) 17. PT Agrokarya Prima Lestari (Sapiri Plasma) 18. PT Adi Tunggal Mahajaya (Sako Plasma) 19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma) 20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma) <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> 1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate) 2. PT Sumber Indah Perkasa (Mambruk Estate) 3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate) 4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate) <p>In the 2021 period, several companies were acquired by GAR according to the notarial deed of amendment dated August 4, 2021, including:</p> <ol style="list-style-type: none"> 1. PT Kruing Lestari Jaya 2. PT Harapan Rimba Raya 3. PT Rimbaraya Tamajaya 4. PT Agrolestari Subur Sejahtera 5. PT Agrolestari Hijau Sentosa 6. PT Kharisma Riau Sentosa Prima 7. PT Mitranusa Permata |

| 2.1 Un-Certified Units or Holdings | | |
|------------------------------------|-------------|--|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>The company is still collecting information and documentation related to compliance with legal documents such as HGU, Environmental Documents and SHM (for plasma).</p> <p>Auditor Verification: Legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. Supply base for Kasuari Mill are PT Sinar Kencana Inti Perkasa and PT Sumber Indah Perkasa. The legal non compliance which still on process is EIA revision in PT Sumber Indah Perkasa and Hazardous waste permit in PT Sinar Kencana Inti Perkasa. - PT Binasawit Abadi Pratama (Perdana Mill and supply base), doesn't have land use title (HGU), the HGU is still on process. - PT Agrokarya Prima Lestari (Kuayan Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. Supply base for Kuayan Mill are PT Agrokarya Prima Lestari and PT Buana Adhitama. - PT Mitrakarya Agroindo (Tangar Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. - PT Sawit Mas Sejahtera (Sungai Kikim Mill and supply base), there is a legal non-compliance. Supply base for Sungai Kikim Mill are PT Sawit Mas Sejahtera and PT Bumi Sawit Permai. The legal non compliance which still on process is EIA revision. - PT Agrolestari Sentosa (Jalemo Mill and supply base), doesn't have land use title (HGU), the HGU is still on process. - PT Adi Tunggal Mahajaya (Sako Mill and supply base), there is a legal non-compliance. Supply base for Sako Mill are PT Adi Tunggal Mahajaya, PT Mitra Karya Agroindo and PT Agrokarya Prima Lestari. The legal non compliance which still on process is Land Use Title (HGU). - PT SMART Tbk (Bukit Kapur Mill and supply base), doesn't have land use title (HGU), the HGU is still on process. - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, doesn't have land use title (SHM), the SHM is still on process. Supply base for Gunung Kombeng Mill is communities plantation. - PT Bangun Nusa Mandiri (Kenari Mill and supply base), doesn't have land use title (HGU), the HGU is still on process. - PT Djuanda Sawit Lestari: there is an area is still in process for HGU in Muara Wahau Estate (574.58 Ha) - PT Satya Kisma Usaha – Kalimantan Tengah: there is an area is still in process for HGU in Medang Sari Estate (24,41 Ha) |

| 2.1 Un-Certified Units or Holdings | | |
|---|--------------------|--|
| Section | Requirement | Concerns to Discuss, if any |
| | | <ul style="list-style-type: none"> - PT Sawit Mas Sejahtera: there is an area is still in process for HGU in Sawit Mas Sejahtera Estate (2,291 Ha) - PT Bumi Sawit Mas: there is an area is still in process for HGU in Bumi Sawit Mas Estate (773 Ha) - PT Sumber Indah Perkasa: there is an area is still in process for HGU in Sungai Buaya Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha) - PT Ivomas Tunggal: there is an area still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha) - PT Buana Wiralestari Mas: there is area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha) - PT Ramajaya Pramukti: there is an area still in process for HGU Rama Rama Estate (318.76 Ha) - PT Bumipalma Lestari Persada: there is an area still in process for HGU Bumi Palma Estate (39.21 Ha) <p>Then there will be additional units in 2022 with the acquisition by GAR of 2 mills and 16 Estates (11 own estates and 5 estate plasma/KKPA). Internal audit activities have not yet been carried out, but prior to the acquisition of these units, GAR has carried out a due diligence or internal assessment so that it can be decided to be acquired by GAR, with details as follows:</p> <ol style="list-style-type: none"> 1. PT Kruing Lestari Jaya: Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA. 2. PT Harapan Rimba Raya : Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA. 3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA which will be supply base for Sungai Kedang Mill (PT Harapan Rimba Raya). 4. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified. 5. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be supply base for Bukit Perak Mill (PT Bumi Permai Lestari) which has been certified. 6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be supply base for Bumipalma Mill (PT Bumipalma Lestari Persada) which has been certified. 7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa). <p>The acquisition company already has legality in the form of HGU, but other legalities such as environmental documents and other permits are being collected and will be completed when an internal audit of the acquisition units is carried out.</p> |

| 2.1 Un-Certified Units or Holdings | | |
|---|--------------------|--|
| Section | Requirement | Concerns to Discuss, if any |
| | | <p>There are 4 companies which still on process to revise EIA document and temporary storage place for hazardous and toxic waste, consist of:</p> <ol style="list-style-type: none"> 1. PT Sinar Kencana Inti Perkasa (Kasuari Mill, Cendrawasih Estate, Nuri Estate, Rajawali Estate) 2. PT Sumber Indah Perkasa (Mambruk Estate) 3. PT Sawit Mas Sejahtera (Sungai Kikim Mill, Sungai Kikim Estate, Sungai Pangi Estate, Sungai Musi Estate, Sungai Saling Estate) 4. PT Bumi Sawit Permai (Sungai Enim Estate, Sungai Lematang Estate) <p>There are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> 1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma) 2. PT Ramajaya Pramukti (Ramarama Plasma) 3. PT Satya Kisma Usaha – Sungai Bengkal Mill (Kilis Plasma) 4. PT Agrokarya Prima Lestari (Sungai Sambon Plasma) 5. PT Djundasawit Lestari (Pandawa Plasma) 6. PT Foresta Lestari Dwikarya (Tanjung Rusa Plasma) 7. PT Palmindo Biliton Berjaya (Tanjung Sawit Plasma) 8. PT Sinar Kencana Inti Perkasa (Sungai Kupang Plasma) 9. PT Sawitakarya Manunggul (Sawita Plasma) 10. PT Kresna Duta Agroindo (Jakluay Plasma, Bukit Subur Plasma) 11. PT Kresna Duta Agroindo (Rantau Panjang Plasma) 12. PT Kencana Graha Permai (Kayung Plasma, Kencana Plasma, Kenanga Plasma) 13. PT Paramitra Internusa Pratama (Belian Plasma) 14. PT Paramitra Internusa Pratama (Muara Tawang KKPA) 15. PT Paramitra Internusa Pratama (Kapuas Hulu KKPA) 16. PT Mitrakarya Agroindo (Sulin Plasma) 17. PT Agrokarya Prima Lestari (Sapiri Plasma) 18. PT Adi Tunggal Mahajaya (Sako Plasma) 19. PT Kresna Duta Agroindo – Pelakar Mill (Tiga Serumpun Plasma) 20. PT Kresna Duta Agroindo – Langling Mill (Batang Gading Plasma) <p>Based on auditor verification, there is still progress in obtaining legality documents for the uncertified units so that GAR has included the certification plan for the uncertified units in the timebound plan.</p> |

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

3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1.3 Remote Audit

| | | | | | |
|---|---|--|-----------------|---|--|
| NCR No. | : | | Issued by | : | |
| Date Issued | : | | Time Limit | : | |
| NC Grade | : | | Date of Closing | : | |
| Standard Ref. & Requirement | : | | | | |
| Evidence observed (filled by auditor): | | | | | |
| Non-Conformance Description (filled by auditor): | | | | | |
| <i>No Non-Conformance were found in this audit activity</i> | | | | | |
| 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 | : | | | | |

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1.3 + ASA-1.4 Onsite Audit

| | | | | | |
|--|----------|--|------------------------|----------|--------------------------|
| NCR No. | : | 2022.01 | Issued by | : | Rahmat Abdiansyah |
| Date Issued | : | 30 July 2022 | Time Limit | : | Next Surveillance |
| NC Grade | : | Minor | Date of Closing | : | |
| Standard Ref. & Requirement | : | 7.3.3 The unit of certification does not use open fire for waste disposal | | | |
| Evidence observed (filled by auditor): <ul style="list-style-type: none"> SOP for Waste Management with Number SOP/SMART/LEMS-EHSD/SADV/II/002 dated July 2, 2014 explains that waste management is carried out with the internal provisions of Sinar Mas plantations and applicable laws and regulations refer to the clean production mechanism approach that applies several principles, among others: <ol style="list-style-type: none"> Reduce, Reuse, dan Recycle (3R) Zero Burning Disposal The results of interviews with company representatives revealed that the company has a policy forbidding the destruction of domestic waste by burning and the policy has been socialized to employees in housing and there has also been a warning board prohibiting the burning of domestic waste. However, based on the results of field observations in the Batu Ampar Mill housing area, it is known that there are 6 points of burning domestic waste. | | | | | |
| Non-Conformance Description (filled by auditor): <p>Based on this evidence, there is still domestic waste management by burning which is not in accordance with the procedures that have been owned by the company.</p> | | | | | |
| 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 | <p>The unit of certification complies to relevant regulations.</p> <p>The company already has a technical recommendation letter for the extension of the liquid waste utilization permit based on the Decree of the Kotabaru Regent No. 660/035/BLHD/2016 dated December 27, 2016 concerning Utilization of Wastewater in Soil at PT SMART Tbk's Oil Palm Plantation Located in Serongga Village, Kelumpang Hilir Sub District, Kotabaru District, which is valid for 5 (five) years.</p> <p>The company has sent a letter of application for an extension and a directive on technical approval for the fulfillment of wastewater quality standards for use on oil palm plantations on 27 December 2021 to the Kotabaru District Environmental Service. Furthermore, the company can show a reply letter from the Kotabaru District Environmental Service with Number 660/34/DLH-PTKL/I/2022 on January 11, 2022 regarding the technical approval process for fulfilling wastewater quality standards. The letter explains that:</p> <ul style="list-style-type: none"> • In the implementation of the Minister of Environment and Forestry Regulation No. 5 of 2021, it is stated that every business / activity that is required to be AMDAL or UKL-UPL that carries out activities for the disposal or utilization of waste water is required to have technical approval and SLO. • Licensing for the use of waste water on the PT Tapian Nadenggan- Batu Ampar MILL oil palm plantation which was previously owned for integrated adjustments with environmental documents provided that the use of wastewater has included technical standards for fulfilling wastewater quality standards. • The adjustment is carried out by compiling a technical study on the utilization of waste water to the ground as contained in the Minister of Environment and Forestry Regulation No. 5 of 2021 as a requirement for the application for technical approval and SLO. <p>Then the company can show a follow-up to the letter from the Kotabaru District Environmental Service by sending a letter of application for the issuance of technical approval for the use of waste water for application to land with letter number 003/DL-TN/VI/2022 on June 29, 2022 and has been sent on 30 June 2022 and has been received by the Kotabaru District Environmental Service with proof of receipt. The letter also includes the following documents:</p> <ul style="list-style-type: none"> • Document of technical study on the use of waste water for application to the ground in accordance with the attachment of Minister of Environment and Forestry No. 5 of 2021 • Letter of recommendation from Serongga Village and Kelumpang Hilir Sub District. <p>Until the recertification assessment is carried out, the technical approval for the use of waste water on the soil and the SLO from the Kotabaru District Environmental Service has not yet been issued.</p> <p>The company has the opportunity to ensure that the process of issuing technical approvals for the use of waste water on soil and SLO from the Kotabaru District Environmental Service is positive.</p> |
| 2 | 5.1.7 | <p>Weighing equipment is verified by an independent third party on a regular basis.</p> <p>The company can show a certificate of test results from the Department of Cooperatives, Industry and Trade of Kotabaru District on June 17, 2021 for 2 weighbridges, namely:</p> <ul style="list-style-type: none"> • Certificate of test results with No. 510.3/036/DISKOPERINDAG/VI/2021 for weigh bridge brand/type Avery Weigh – Tronix / ZM510-SD4 with serial number 182050107 with a test date of 9 June 2021 and an obligation to recalibrate on 09 June 2022. • Certificate of test results with No. 510.3/037/DISKOPERINDAG/VI/2021 for Avery Weigh – Tronix/E1205 weigh bridges with serial number 135150609 with a test date of 9 June 2021 and an obligation to recalibrate on 09 June 2022. |

| No | Ref. Std. | Description |
|----|-----------|---|
| | | <p>The company can show an email from PT MUGI as the re-calibrator on May 24, 2022 explaining that PT MUGI will carry out testing at the Batu Ampar Mill on June 20, 2022. The company can show the results of the re-calibration carried out on June 20, 2022 which states that the scales cannot be calibrated because there are technical defects in both scales. The company has placed an order to repair the damage as evidenced by the Purchase Order document No. 9100640945. Furthermore, there was an email from PT MUGI on July 15, 2022 which stated that the Batu Ampar Mill Recalibration activity with local Metrology would be carried out in early October 2022.</p> <p>The company has the opportunity to ensure that the process of recalculation activities carried out by PT MUGI with the Metrology of Kotabaru District is positive</p> |
| 3 | 6.2.7 | <p>Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal</p> <p>During the assessment, there were still contract workers in main work. The current employee status are permanent workers and contract workers. Based on the document review and interview with the workers, it's known that there were contract workers (PKWT) in permanent works, here as follows:</p> <ul style="list-style-type: none"> Batu Ampar Estate has 24 contract workers in harvesting. Batu Mulia Estate has 15 contract workers in harvesting. <p>UoC then showed the progress of promotion from contract workers (PKWT) to permanent workers (PT) as seen in an e-mail to the management. UoC showed that the total proposed permanent workers are 39 workers, as follows:</p> <ul style="list-style-type: none"> Batu Ampar Estate with 24 contract workers. Batu Mulia Estate with 18 contract workers. <p>Through an email on 30 Mei 2022, the management approved the proposed of 39 contract workers in harvesting to permanent workers (PT).</p> <p>UoC then showed the management decree No. 001/VPA PSM-3/VI/2022 related to the harvesting workers status validated on 13 June 2022 by the VPA PSM-3. This document stated that the company committed that harvesting worker must be permanent workers (PT 3) and before promoted to be permanent workers, the workers will through the probation and the workers who passed the probation will be promoted to be permanent.</p> <p>Based on the description above, UoC is encouraged to appoint the contract workers in harvesting works as UoC's plan and committ to UoC's management decree.</p> |
| 4 | 7.2.10 | <p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>Labor Health Examination Procedure No. SOP/SMART/HESS-EHSD/SADV/II/012 dated July 1, 2014, the procedure briefly describes the health inspection program for spray workers and chemical storage warehouses, including <i>Cholinesterase</i> and <i>Spirometry</i> tests.</p> <p>The company can show records of the implementation of special medical examinations for spray workers and chemical storage warehouse officers in 2022 which were carried out by company doctors which included <i>Cholinesterase</i> examinations while <i>Spirometry</i> examinations could not be carried out due to the potential to increase the spread of the <i>Covid-19</i> virus.</p> <p>Companies are encouraged to be able to carry out special <i>Spirometry</i> health checks if the situation has been identified as safe and with due observance of health protocols.</p> |
| 5 | 7.12.4 | <p>The company has identified the High Conservation Value area of the Batu Mulia Estate unit in 2011. Based</p> |

| No | Ref. Std. | Description |
|----|-----------|--|
| | | <p>on the results of the identification, there is an HCV 1.1 area in the form of a buffer area of a Nature Reserve covering an area of 172.48 Ha. The buffer area of the Nature Reserve is designated as an HCV area because there is a Nature Reserve area around the plantation area with environmental conditions in the area having been in the form of oil palm plantations and residential areas since 1984. The determination of the area to become an HCV area takes into account the precautionary aspect.</p> <p>Based on the results of a field visit to the HCV 1.1 area of the Nature Reserve Buffer in Block I41 Division 2 Batu Mulia Estate, it is known that the area has been planted with oil palm with the planting year 2017. The company can show justification in the form of a certificate from VPA PSM 3 which explains several things, including the:</p> <ul style="list-style-type: none"> • In 2016 the company monitored the massive encroachment of the nature reserve area by the community. Seeing this condition, the company has made an approach by socializing to the community about the importance of maintaining protected areas or nature reserves. • Seeing the condition of the nature reserve which is no longer in a protected condition and has the potential to become a threat to the Buffer Zone area if it is not managed and utilized by the company, then based on these considerations it was decided to do replanting with the aim that the buffer zone area is always maintained and managed according to the principle's conservation principles. • Utilization of the Nature Reserve buffer area by planting oil palm plantations/ replanting does not violate the regulations based on PP No. 28 of 2011 concerning the management of nature reserves and nature conservation areas in Article 45 Paragraph 3 and Article 46. <p>The company can also show a report on the implementation of HCV management and monitoring for the 2nd semester of 2016 which explains that based on the results of field monitoring in the 2nd semester of 2016, the land cover of most of the Batu Mulia Estate area is generally dominated by oil palm plantations that have experienced low cropping, and has reached 1 cycle of palm oil so that several blocks will be ready for replanting in each unit. In addition, around the Batu Mulia Estate area, there are also palm plantations belonging to the surrounding community and coal mining activities. It is feared that this could be a threat to the sustainability of the HCVs in the Batu Mulia Estate.</p> <p>Based on the results of interviews with company representatives, it is known that the buffer area of the Nature Reserve that has been replanted is still designated as an HCV area by the company while continuing to manage and monitor the area.</p> |

3.4.4. Noteworthy Positive Components

| No | Description |
|----|---|
| 1 | Commitment to implement the principles of sustainable oil palm plantation management. |
| 2 | Excellent cooperation with all the personnel in charge during the audit. |
| 3 | Well-presented document. |

3.5 Summary of Arising Issues from Public and Auditor Verification



| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| National Land Agency of Kotabaru District <ul style="list-style-type: none"> • So far, the concession area of PT Tapian Nadenggan has no issues or complaints related to overlapping with forest areas, mining areas or conflicts with surrounding communities. • Communication and coordination between agencies and companies is quite good as well as responses to requests for information. • The company is expected to maintain and care for the permit area that has been granted. | <p>There was no negative issue that need further verification.</p> |
| Plantation Agency of Kotabaru District <ul style="list-style-type: none"> • PT Tapian Nadenggan so far there have been no issues, complaints or complaints from the surrounding community or other parties regarding the negative impact of the company's operational activities. • Based on the permit owned by the company, it is not required to form a plasma plantation partnership. • The company is expected to be able to establish partnerships with the surrounding community in the form of productive cooperation. • For Kotabaru District, the SIPERIBUN application has not been effectively implemented. | <p>There was no negative issue that need further verification.</p> |
| Manpower Agency of Kotabaru District Date: 12 July 2022 <ul style="list-style-type: none"> • Mandatory reports related to employment have been submitted regularly in accordance with its period. • The company has registered the Labor Union. • No complaints regarding labor issues (child labour, worker discrimination, forced labor and so on). • There were no information request or complaint from Manpower Agency of Kotabaru District. Every communication with the company is carried out through mobile applications. • There were no complaints related to salary shortages. | <p>There was no negative issue that need further verification.</p> |
| Villages around the Company Interviewees: <ol style="list-style-type: none"> 1. Batu Ampar Village (Village Head) 2. Langadai Village (Village Head) <ul style="list-style-type: none"> • The company absorbs workers from the village. • There are no land tenure problems and conflicts between the company and the surrounding community. • There are no issues regarding environmental pollution for the | <p>There are no negative issues from the village community around the company.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <p>past 2 year.</p> <ul style="list-style-type: none"> The company has socialized about protected animals and conservation areas and put-up signs prohibiting hunting of certain animals around the plantation area. Socialization on the prohibition of burning has been carried out for land clearing activities. The company routinely provides assistance to villages in the form of CSR or direct assistance. Communication between the village and the company is not a problem and the company always responds to requests from the village. | |
| <p>PT Satrindo Jaya Agropalma - FFB, CPO & PK Transporter</p> <ul style="list-style-type: none"> The scope of the Cooperation agreement covers the transportation of FFB, CPO and PK. FFB is transported every day while CPO and PK are transported according to the storage capacity at the Mill. The contractor provides vehicles and labor units such as drivers and loaders. So far there have been no complaints related to payments or Cooperation agreements. All contractor workers are permanent workers and have been provided with PPE as well as social security facilities for BPJS Health and BPJS Employment. | <p>There was no negative issue that need further verification.</p> |
| <p>PT Sarana Lintas Bersama - PK Transporter</p> <ul style="list-style-type: none"> The contractor has been working with the company for a long time in the kernel transportation sector. Work contract based on the completion of the Delivery Order. The driver is an internal worker from PT Sarana Lintas Bersama. Some of the requirements that are required and checked by the company include those related to OHS and BPJS. So far, there have been no complaints related to the cooperation that has been established. | <p>There was no negative issue that need further verification.</p> |
| <p>Kota Baru District Environmental Service</p> <ul style="list-style-type: none"> The company already has environmental documents that are in accordance with the provisions. Reports on the implementation of environmental management and monitoring plans have been routinely reported by the company. The report is reported every semester. The contents of the environmental management and monitoring report carried out by the company are in accordance with KepmenLH No. 45. | <p>There are no negative issues from the Kotabaru District Environmental Service</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|---|
| <ul style="list-style-type: none"> The company already has a permit for temporary storage of hazardous and toxic waste that has complied with the provisions and the permit is still valid. Reports on the management of hazardous waste on a regular basis have been reported by the company on a quarterly basis. The company is currently processing the technical approval of the LA permit and has sent a technical review to the Environment Agency. The company has reported routine liquid waste monitoring reports. So far, no environmental pollution issues have been carried out by the company. So far, there has been no issue of land fires in the company's area. | |
| CV Bamega (FFB Supplier) <ul style="list-style-type: none"> The collaboration between CV Bamega and the company has been running for 2 years. There is a cooperation agreement between the company and CV Bamega The FFB price given to CV Bamega as an external supplier is the FFB price set by the Company. The origin of FFB from CV Bamega is FFB originating from independent farmers' gardens around Karang Bintang Village and the legality of the land is in the form of SHM and SKT. The company has also taken the coordinates of the land from CV Bamega. So far, the cooperation has been going well and there have been no complaints related to the payment of FFB. | There are no negative issues from the CV Bamega |
| Gabungan Kelompok Tani Sungai Kupang Jaya (FFB Supplier) <ul style="list-style-type: none"> Gapoktan has a partnership with PT SKIP in terms of FFB sales. PT SKIP has a cooperation agreement with PT Tapian Nadenggan in terms of FFB processing. Cooperation between Gapoktan and companies has been running since 2014. The FFB price given to Gapoktan as an external supplier is the FFB price set by the Company. The origin of FFB from Gapoktan is FFB originating from independent farmer gardens of members of Gapoktan and the legality of the land is in the form of SHM and SKT. The company has also taken the coordinates of the land from Gapoktan So far, the cooperation has been going well and there have been no complaints related to the payment of FFB. | There are no negative issues from the Gaungan Kelompok Tani Sungai Kupang Jaya. |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|---|
| <p>Gajah Mada Cooperative (Plasma from PT SKIP)</p> <ul style="list-style-type: none"> The cooperative has a partnership with PT SKIP in terms of selling FFB and managing plasma plantations. PT SKIP has a cooperation agreement with PT Tapian Nadenggan in terms of FFB processing. The price of FFB given to the Cooperative as a supplier of FFB is the price of FFB set by the Plantation Office of Kalimantan Selatan Province. The origin of FFB is FFB originating from independent farmer gardens, members of the Cooperative and land legality in the form of SHM and SKT. The company has also taken the coordinates of the land from the Cooperative So far, the cooperation has been going well and there have been no complaints related to the payment of FFB. Gajah Mada Cooperative has been certified RSPO together with Sungai Panci Plasma (PT SKIP) | <p>There was no negative issue that need further verification.</p> |
| <p>Gender Committee Interviewee:</p> <ul style="list-style-type: none"> Gender Committee Head of Batu Ampar Mill Gender Committee Head of Batu Ampar Estate Gender Committee Head of Batu Mulia Estate <ul style="list-style-type: none"> There were no complaints regarding issues related to sexual harassment and violence against women. All woman in pesticides applicator worker and others work which related to chemical material if reported pregnant, the worker would be transferred to non-agrochemical works (e.g.: daycare officer). The gender committee had socialized some policies related to sexual harassment, violence and child protection. The company has had a policy to protect female workers from sexual harassment in the workplace as well as a grievance mechanism. The company also implemented some regulations related to reproductive rights such as menstruation leave and maternity paid leave. | <p>There were no negative issues related to gender discrimination that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p> |
| <p>Labor union Interviewee:</p> <ul style="list-style-type: none"> Labor union's Chairman of Batu Ampar Estate Labor union's Chairman of Batu Mulia Estate Labor union's Chairman of Batu Ampar Mill | <p>There were no negative issues related to worker union that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|---------------------------------------|
| <ul style="list-style-type: none"> • Bipartite meetings of Labor union were held at least once a month or whenever it's needed and internal meetings whenever it's needed. • There were contract / temporary workers in permanent works, but the company has already proposed the contract workers to permanent. • The wages applied by the company were in accordance with the applicable minimum wage. • The company supports union activities by providing secretarial building. • There were no labor-related issues happened in all units. • There were no fatal working accidents in 2021-2022. • The company had provided cooperatives and accessible restaurants in each unit. | |
| <p>Workers Cooperatives</p> <p>Interviewee:</p> <ul style="list-style-type: none"> • Workers Cooperatives Chairman of Batu Ampar Estate • Workers Cooperatives Chairman of Batu Mulia Estate • Workers Cooperatives Chairman of Batu Ampar Mill <p>Worker's cooperatives sell worker's daily needs and also provide saving and loan. Worker's cooperatives also had held the annual meeting.</p> | <p>There were no negative issues.</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-between;"> <div style="text-align: center;"> <p>PT Tapian Nadenggan – Batu Ampar POM Head of Sustainability Management System and Certification Operations Sustainability</p>  <p><u>Yahya Mustakim</u> Friday, 22 July 2022</p> </div> <div style="text-align: center;"> <p>MUTU Internasional Lead Auditor</p>  <p><u>Hasiholan Sihombing</u> Friday, 22 July 2022</p> </div> </div> |

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

| No | Institution/ NGO/ Community | Address | Phone/ Email | Form of Comm | Date of Contact | Response | |
|----|--|-------------------|--------------|------------------|-----------------|----------|----|
| | | | | | | Yes | No |
| 1 | National Land Agency | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 2 | Plantation Agency | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 3 | Batu Ampar Village | Kotabaru District | | By Phone | 26 July 2022 | ✓ | |
| 4 | Langadai Village | Kotabaru District | | By Phone | 26 July 2022 | ✓ | |
| 5 | PT Satrindo Jaya Agropalma | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 6 | PT Sarana Lintas Bersama | Kotabaru District | - | By Phone | 28 July 2022 | ✓ | |
| 7 | Kota Baru District Environmental Service | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 8 | CV Bamega | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 9 | Gabungan Kelompok Tani Sungai Kupang Jaya | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 10 | Gajah Mada Cooperative | Kotabaru District | - | By Phone | 28 July 2022 | ✓ | |
| 11 | Manpower Agency | Kotabaru District | - | By Phone | 26 July 2022 | ✓ | |
| 12 | Labor Union in BAMB | Kotabaru District | - | Direct Interview | 26 July 2022 | ✓ | |
| 13 | Labor Union in BAME | Kotabaru District | - | Direct Interview | 27 July 2022 | ✓ | |
| 14 | Labor Union in BMLE | Kotabaru District | - | Direct Interview | 28 July 2022 | ✓ | |
| 15 | Gender Committee in BAMB | Kotabaru District | - | Direct Interview | 26 July 2022 | ✓ | |
| 16 | Gender Committee in BAME | Kotabaru District | - | Direct Interview | 27 July 2022 | ✓ | |
| 17 | Gender Committee in BMLE | Kotabaru District | - | Direct Interview | 28 July 2022 | ✓ | |
| 18 | Batu Ampar POM <ul style="list-style-type: none"> • 1 worker WWTP • 1 Worker EBA • 2 Worker in Housing Complex Batu Ampar Estate <ul style="list-style-type: none"> • 1 Worker PPE warehouse • 2 Worker in Agrochemicals warehouse • 1 worker in fertilizer warehouse • 1 team firefighting • 1 worker in Hazardous waste storage • 1 Worker Daycare • 2 Worker in Clinic • 1 Worker in Housing Complex | Kotabaru District | - | Direct Interview | 28 July 2022 | ✓ | |

| No | Institution/ NGO/ Community | Address | Phone/ Email | Form of Comm | Date of Contact | Response | |
|----|---|-------------------|--|------------------|--------------------|----------|----|
| | | | | | | Yes | No |
| | Batu Mulia Estate • 1 Worker PPE warehouse • 2 Worker in Agrochemicals warehouse • 1 worker in fertilizer warehouse • 1 team firefighting • 1 worker in Hazardous waste storage • 1 Worker Daycare • 1 Worker in Housing Complex | | | | | | |
| 19 | Workers Cooperatives in BAMM, BAME, and BMLE | Kotabaru District | - | Direct Interview | 28 July 2022 | ✓ | |
| 20 | Aliansi Masyarakat Adat Nusantara | Jakarta | rumahaman@cbn.net.id | Via email | 15 July 2022 | | ✓ |
| 21 | Wahana Lingkungan Hidup Indonesia | Jakarta | informasi@walhi.or.id | Via email | 15 July 2022 | | ✓ |
| 22 | World Wide Fund | Jakarta | wwf-indonesia@wwf.or.id | Via email | 15 July 2022 | | ✓ |
| 23 | Sawit Watch | Bogor | info@sawitwatch.or.id | Via email | 15 July 2022 | | ✓ |
| | | | | | | | |

Appendix 2. Assessment Program

| DATE | 25 – 30 July 2022 | |
|--------------------------------|---|--|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 25 July 2022 | | |
| 06.40 – 09.00 | JAKARTA → BANJARMASIN | All Auditor |
| 09.00 – 16.00 | From the airport to the audit location in Kotabaru District | All Auditor |
| 16.00 – 17.00 | OPENING MEETING <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) | Management of PT TN All Auditor |
| Tuesday, 26 July 2022 | | |
| 08.00 – 12.00 | <ul style="list-style-type: none"> Stakeholders consultation by phone to related agencies Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners by phone Interview by phone with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any) | All Auditor |
| 12.00 – 14.00 | Break | |
| 14.00 – 16.30 | Field observation to Batu Ampar POM <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge) Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO) Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond & land application | HHS SML & MIA RAB |
| 16.30 – 17.00 | Submission of audit progress | |
| Wednesday, 27 July 2022 | | |
| 08.00 – 12.00 | Field Observation to Batu Ampar Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV; Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place). | HHS SML & MIA RAB |
| 12.00 – 14.00 | Break | All Auditor |
| 14.00 – 17.00 | <ul style="list-style-type: none"> Continuing stakeholder consultation (if anything was not done the previous day) | |

| DATE | 25 – 30 July 2022 | |
|-------------------------------|---|--|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| 16.30 – 17.00 | <ul style="list-style-type: none"> Document Verification submission of audit progress | All Auditor |
| Thursday, 28 July 2022 | | |
| 08.00 – 12.00 | Field Observation to Batu Mulia Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV; Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place). | HHS SML & MIA RAB |
| 12.00 – 14.00 | Break | All Auditor |
| 14.00 – 17.00 | <ul style="list-style-type: none"> Continuing stakeholder consultation (if anything was not done the previous day) Document Verification | All Auditor |
| 16.30 – 17.00 | Submission of audit progress | All Auditor |
| Friday, 29 July 2022 | | |
| 08.00 – 12.00 | <ul style="list-style-type: none"> Continuing stakeholder consultation (if anything was not done the previous day) Document Verification | All Auditor |
| 12.00 – 14.00 | Break | All Auditor |
| 14.00 – 15.00 | Internal discussion by auditor team preparing for Closing Meeting | |
| 16.00 – 17.00 | CLOSING MEETING <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion) Comments, Responses and Questions | All Auditor |
| Saturday, 30 July 2022 | | |
| 08.00 – 12.00 | Travel from audit site to the airport in Batulicin | All Auditor |
| 12.10 – 13.20 | BATULICIN → BANJARMASIN | All Auditor |
| 16.35 – 17.20 | BANJARMASIN → JAKARTA | All Auditor |