

Roundtable on Sustainable Palm Oil Certification RSPO

[✓] Re-Certification

Name of Management : Padang Halaban Palm Oil Mill subsidiary of PT Smart tbk, Golden Agri Organization Resources Ltd.
 Plantation Name : PT Smart tbk - Padang Halaban Estate, Pernantian Estate, Adipati Estate and Kanopan Ulu Estate.
 Location : Perkebunan Padang Halaban Village, Aek Kuo Sub-District, Labuhanbatu Utara Regency, Sumatera North Province, Indonesia.
 Certificate Code : **MUTU-RSPO/151**
 Date of Initial Registration : 15 September 2011
 Date of Last Issue : 24 August 2022
 Date of Certificate Expiry : 23 August 2027

Date of License Issue : 15 September 2022

Date of License Expiry : 23 August 2023

License expired in 14 September 2020, however due to pandemic Covid-19 situation the license extended until 14 September 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
Remote ASA-1.4	9-10 November 2020	Trismadi Nurbayuto (Lead Auditor), Brigitta Prita, Yudhi Yuniarto T and Septian Maulana	Harso Yuli Antena	Ardiansyah
Onsite ASA-1.4 + RC	28 June & 2 – 6 July 2022	Briyogi Shadiwa (Lead Auditor), Erika Lucitawati, Hasiholan Sihombing, Harry Wahyudi		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.4 + RC	24 August 2022

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Figure 1. Location Map of PT SMART Tbk – Padang Halaban Mill



Figure 2. Operational Map of PT SMART Tbk – Padang Halaban Estate

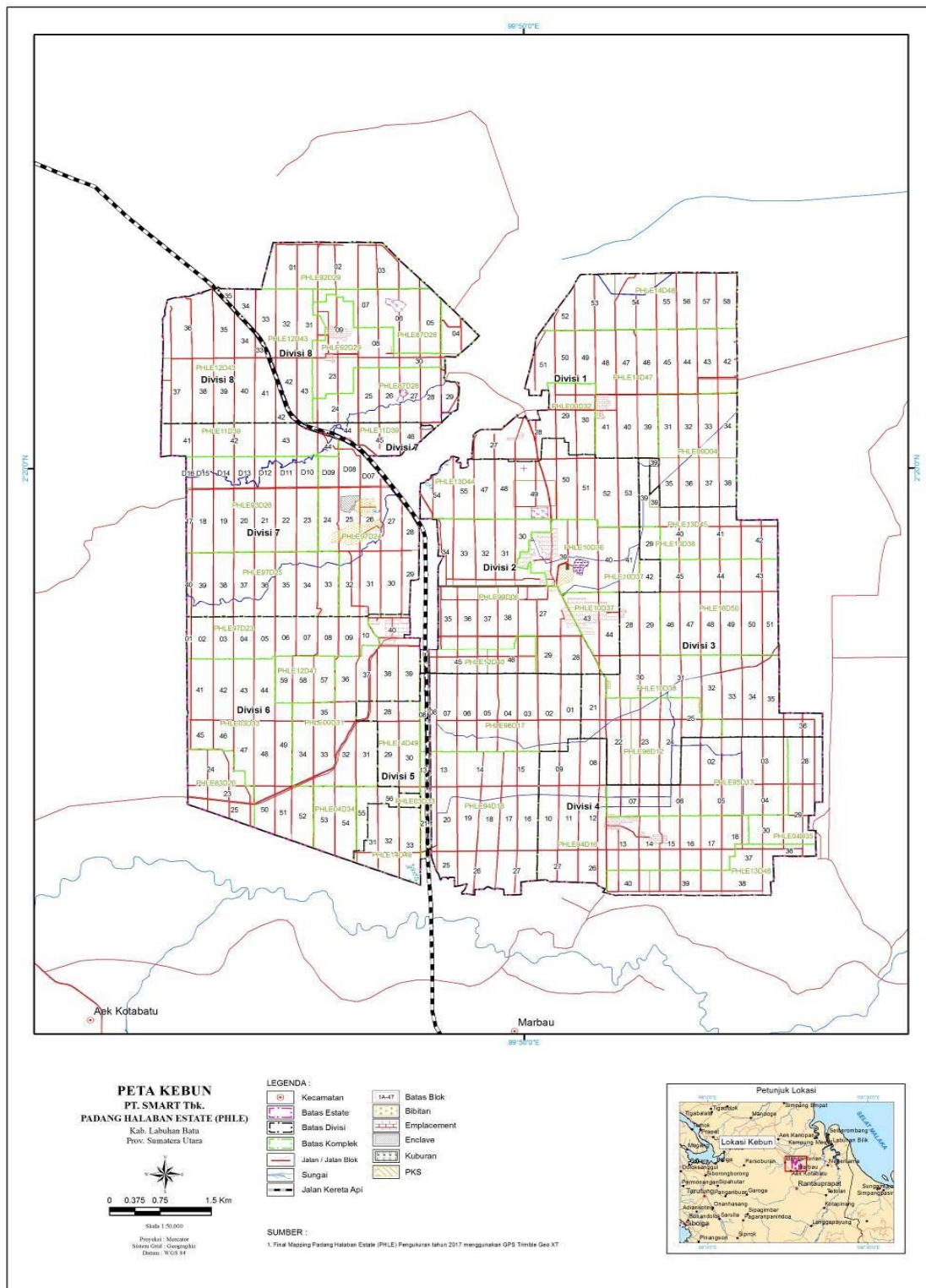


Figure 3 Operational Map of PT SMART Tbk – Pernantian Estate

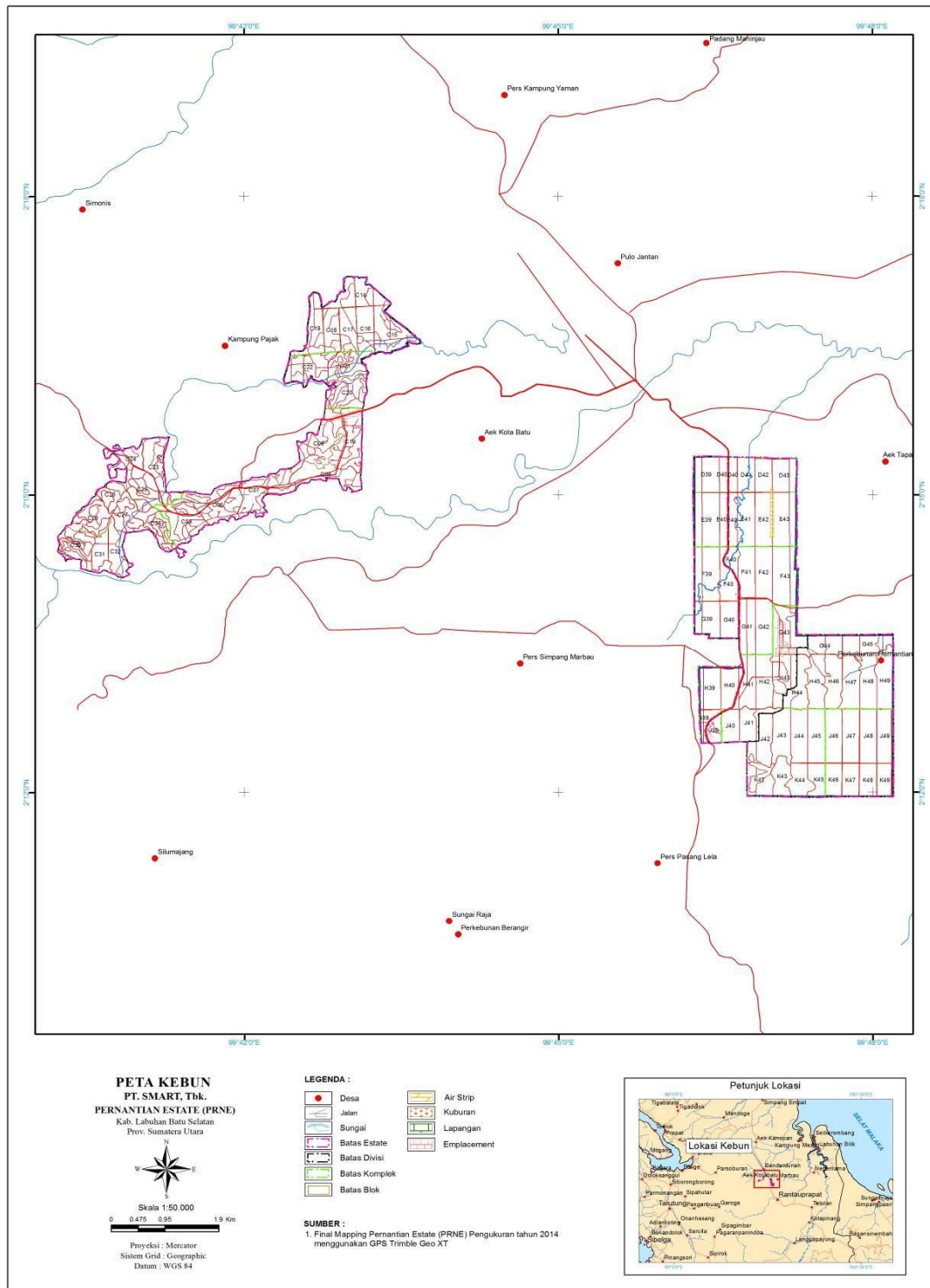


Figure 4. Operational Map of PT SMART Tbk – Adipati Estate

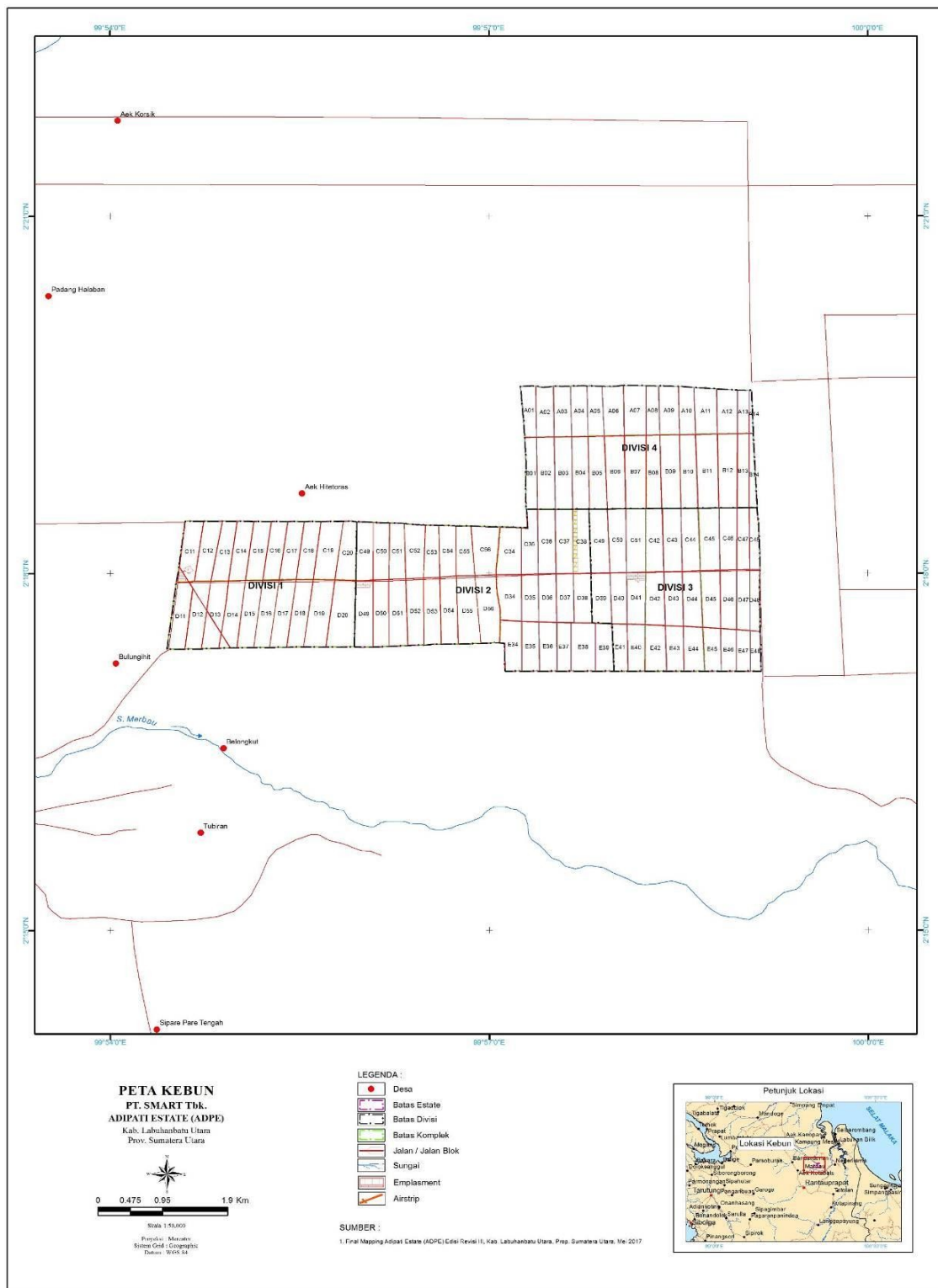
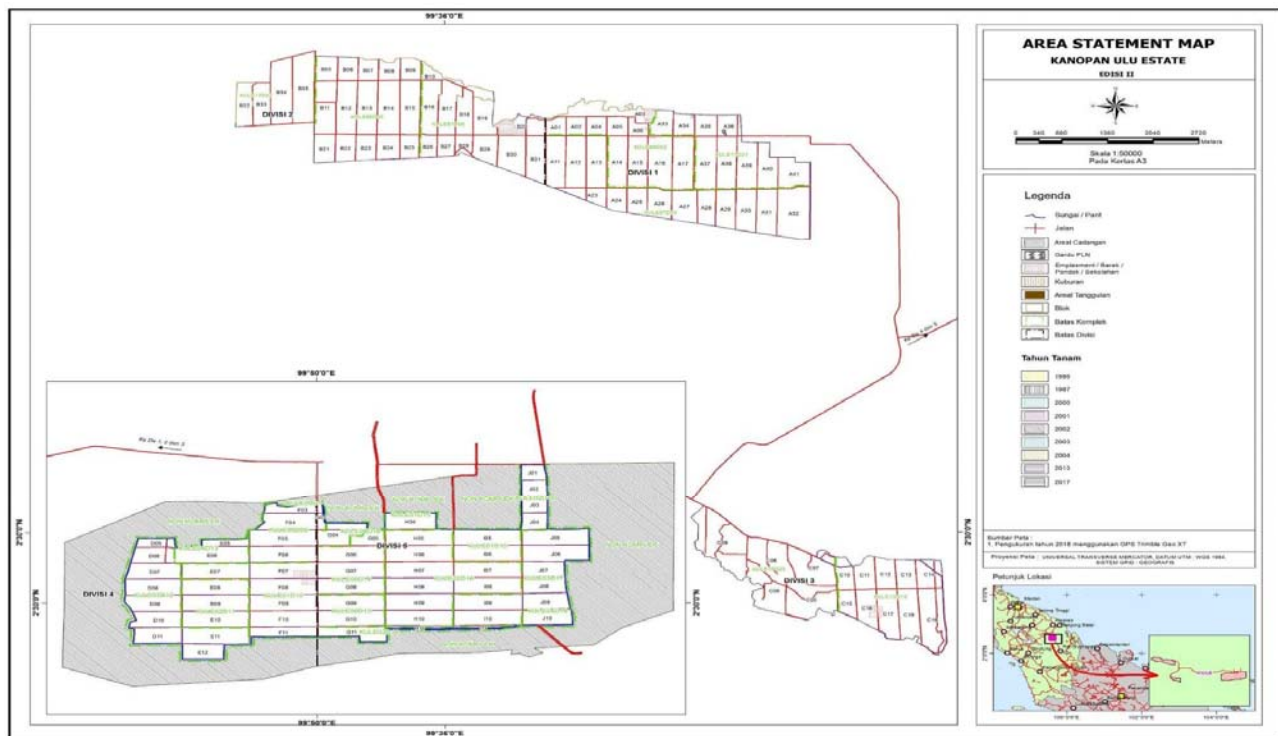


Figure 5. Operational Map of PT MP LWI – Kanopan Ulu Estate



Abbreviations Used

ACOP	:	Annual Communication of Progress
ADPE	:	Adipati Estate
AMDAL	:	<i>Analisa Mengenai Dampak Lingkungan</i>
ASA	:	Annual Surveillance Assessment
BLH	:	<i>Badan Lingkungan Hidup</i> (Environment Board)
BPA	:	<i>Bilik Penitipan Anak</i> (Daycare)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
BPJN	:	<i>Badan Pertanahan Nasional</i> / National Land Agency
CH	:	Certificate Holder
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DO	:	Delivery order
DPPL	:	<i>Dokumen Pengelolaan dan Pemantauan Lingkungan</i> (Environment Management and Monitoring Document)
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed Consent
FR	:	Frequency Rate
GAR	:	Golden Agri Resources
GHG	:	Greenhouse Gases
HCV	:	High Conservation Values
HGB	:	<i>Hak Guna Bangunan</i> (Building Use Title)
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment Control
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISPO	:	Indonesian Sustainable Palm Oil
IUP	:	<i>Izin Usaha Perkebunan</i>
KAI	:	<i>Kereta Api Indonesia</i>
KAN	:	<i>Komite Akreditasi Nasional</i>
KER	:	Kernel Extraction Rate
KES	:	<i>Kesehatan</i>
KKPA	:	<i>Kredit Koperasi Primer Anggota</i>
KULE	:	Kanopan Ulu Estate
LSU	:	Leaf Sampling Unit
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MP LWI	:	MP Leidong West Indonesia
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organization
NPWP	:	<i>Nomor Pokok Wajib Pajak</i>
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i>

PBB	:	<i>Pajak Bumi Bangunan</i>
PCDV	:	Policy and Compliance Division
PHLE	:	Padang Halaban Estate
PHLM	:	Padang Halaban Mill
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PRNE	:	Pernantian Estate
PT1	:	<i>Pegawai Tetap 1</i> (Permanent Workers Class 1)
PT4B	:	<i>Pegawai Tetap 4B</i> (Permanent Workers Class 4B)
RaCP	:	Remediation and Compensation Procedure
RKL-RPL	:	<i>Rencana Kelola Lingkungan – Rencana Pantau Lingkungan</i> (Environment Management and Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rear, Threatened, Endangered Species
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SKU B	:	<i>Syarat Kerja Umum Bulanan</i> (Monthly Permanent Worker)
SKU H	:	<i>Syarat Kerja Umum Harian</i> (Daily Permanent Worker)
SMART	:	Sinar Mas Agro Resources and Technology
SMARTRI	:	Sinar Mas Agro Resources and Technology Research Institute
SMD	:	Senior Managing Director
SOP	:	Standard Operating Procedure
SPUP	:	<i>Surat Pendaftaran Usaha Perkebunan</i>
SSU	:	Soil Sampling Unit
TBM	:	<i>Tanaman Belum Menghasilkan</i> / Immature
TBP	:	Time Bound Plan
TK	:	<i>Tenaga Kerja</i>
UNGC	:	United Nation Global Compact
WHO	:	World Health Organization
WTP	:	Water Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification System for Principles and Criteria, 12 November 2020.	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Padang Halaban Palm Oil Mill – PT Smart, Tbk 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@sinarmas-agri.com	
1.2.7	Web page address	https://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 – 31 March 2011	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Padang Halaban Mill and 4 Estate (Padang Halaban Estate, Kanopan Ulu Estate, Adipati Estate & Pernantian Estate)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Padang Halaban Mill	Perkebunan Padang Halaban Village, Aek Kuo Sub-District, Labuhanbatu Utara District, Sumatera Utara	2° 19' 03" N99° 50' 21" E
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Padang Halaban Estate	Perkebunan Padang Halaban Village, Aek Kuo Sub-District, Labuhanbatu Utara District, Sumatera Utara	2° 19' 03" N99° 50' 10" E
	Pernantian Estate	Pernantian Village, Marbau Sub-District, Kab. Labuhanbatu Utara District, Sumatera	2° 13' 22" N99° 47' 08" E

		Utara				
	Adipati Estate	Belongkut Village, Marbau Sub-District, Labuhanbatu Utara District, Sumatera Utara	2° 17' 55" N	99° 54' 32" E		
	Kanopan Ulu Estate	Kuala Hulu Village, Labuhanbatu Utara District, Sumatera Utara	2° 34' 20" N	99° 37' 39" E		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		17,178.84 Ha			
	• Community		- Ha			
1.5.2	Area Statement					
	• Total area		17,178.84 Ha			
	• Mature area		12,994.29 Ha			
	• Immature area		1,711.52 Ha			
	• Nursery		30.42 Ha			
	• Roads		414.16 Ha			
	• Drains		202.43 Ha			
	• Buildings		143.19 Ha			
	• Reserve Area		88.91 Ha			
	• Occupation Area		1,526.78 Ha			
	• Others (Electric Pole)		67.14 Ha			
*There's conservation area as amount as 339.25 ha (Padang Halaban Estate, Adipati Estate, dan Pernantian Estate) and 4.75 ha (Kanopan Ulu Estate) in planted area.						
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		PHLE	PRNE	ADPE	KULE	Total
	1992	290.17	-	-	-	290.17
	1994	330.15	-	-	-	330.15
	1995	233.28	-	-	-	233.28
	1996	468.75	-	-	-	468.75
	1997	635.63	167.89	-	-	803.52
	1999	344.16	-	-	-	344.16
	2000	381.14	95.93	-	260.41	737.48
	2001	-	-	-	237.04	237.04
	2002	-	-	-	391.69	391.69
	2003	338.16	281.96	-	356.59	976.71
	2004	161.05	509.36	-	89.19	759.60
	2005	-	427.50	-	-	427.50
	2006	-	259.48	599.31	-	858.79
	2009	200.09	-	-	-	200.09
	2010	500.68	183.25	-	-	683.93
	2011	174.29	-	892.16	-	1,066.45
	2012	555.27	-	-	-	555.27

	2013	567.62	-	-	211.52	779.14	
	2014	750.92	-	-	-	750.92	
	2015	-	-	376.76	-	376.76	
	2016	252.02	-	495.08	-	747.10	
	2017	-	-	-	221.83	221.83	
	2018	-	-	-	506.28	506.28	
	2019	247.68	-	-	-	247.68	
	Mature	6,431.06	1,925.37	2,363.31	2,274.55	12,994.29	
	2020	-	-	-	523.43	523.43	
	2021	631.19	253.97	-	302.93	1,188.09	
	Immature	631.19	253.97	-	826.36	1,711.52	
	TOTAL					14,705.81	
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 (%)
	Padang Halaban	60	798,717.78	182,532.32	22.8	48,804.82	6.1
*Production data source from 33 months before assessment (September 2019 – May 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)	%
	Padang Halaban Estate	7,464.92	6,431.06	372,652.57	21.07	372,652.57	100
	Pernantian Estate	2,378.07	1,925.37	127,297.07	24.04	127,297.07	100
	Adipati Estate	2,490.00	2,363.31	109,005.11	16.77	109,005.11	100
	Kanopan Estate	4,845.85	2,274.55	118,525.56	18.95	118,525.56	100
	TOTAL	17,178.84	12,994.29	727,480.31	20,63	727,480.31	100
*Production data source from 33 months before assessment (September 2019 – May 2022)							
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholder rs	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Normark Estate (RSPO Certified)	Golden Agri Resources	-	2,195.10	72,163.51		
	TOTAL					72,163.51	
*Production data source from 33 months before assessment (September 2019 – May 2022)							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (Dec 2020 to May	

					2022) (MT)			
	FFB Processed		507,699		408,279.670			
	CPO Production		118,651		94,663.23			
	Palm Kernel (PK) Production		32308		25321.42			
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (Dec 2020 to May 2022) (MT)						
	CSPO sold as RSPO certified product	93,269.86						
	CSPK sold as RSPO certified product	25051.21						
	CSPO sold under other scheme	-						
	CSPK sold under other scheme	-						
	CSPO sold as conventional	-						
	CSPK sold as conventional	-						
	*There's remaining stock of CSPK at the end of Nov 2020 as amount as 674.66 MT. *There's remaining stock of CSPO at the end of Nov 2020 as amount as 299.08 MT.							
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Padang Halaban Estate	7,464.92	6,431.06	135,000	20.99			
	Pernantian Estate	2,378.07	1,925.37	46,000	23.89			
	Adipati Estate	2,490.00	2,363.31	41,000	17.34			
	Kanopan Ulu Estate	4,845.85	2,274.55	43,000	18.90			
	TOTAL	17,178.84	12,994.29	265,000	81.12			
	<i>*Projected FFB production for 12 months of certificate</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel	Supply Chain Module		
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Padang Halaban	60	265,000	60,950	23.0	14,575	5.5	IP
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications							
	ISPO			ISPO certificate No.IDN 26200004 by PT Bureau Veritas Indonesia (RS-1) issued on 10 September 2020 valid until 9 September 2025. (PT SMART, Tbk)				
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)	2024		-
		Bukit Lestari estate (PT Agrolestari Hijau Sentosa)	2024		-
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Bangka Belitung Province	Certified
		Tanjung Rusa Estate	2013		Certified
		Tanjung Rusa Estate (HGU on process 48.81 Ha)	2023		-
		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
	2014	Sungai Merah Estate	2014	Lampung Province	Certified

Sungai Merah Mill (PT Sumber Indah Perkasa)		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)	2023		-
		Delima Estate (PT Kencana Graha Permai)	2023		-
		Smallholder (Kencana Plasma)	2024		-
		Smallholder (Kenanga Plasma)	2024		-
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	2025	Kalimantan Tengah Province	ST-1
		Tajur Beras Estate	2025		ST-1
		Seranau Estate	2025		ST-1
		Sungai Sambon Plasma	2025		-
		Sapiri Estate (PT Buana Adhitama)	2025		ST-1
		Sapiri Plasma	2025		-
		Bukit Dua Estate (PT Buana Adhitama)	2025		-

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 Pangsi 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		-
		Sungai Lingsing Estate (PT Prima Cipta Mandiri)	2022		-
Tangar Mill (PT Mitrakarya Agroindo)	2023	Sulin Estate	2025	Kalimantan Tengah Province	-
		Sulin Plasma	2025		-
		Nahiyang Estate	2025		-
		Katayang Estate	2025		-
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	2025	Kalimantan Tengah Province	-
		Kajui Estate (PT Agro Lestari Sentosa)	2025		-
		Manuhing Estate (PT Agro Lestari Sentosa)	2025		-

		Manuhing KKPA	2025		-
Sako Mill (PT Adi Tunggal Mahajaya)	2023	Mentaya Estate	2025	Kalimantan Tengah Province	ST-1
		Kuayan Estate	2025		ST-1
		Sako Plasma	2025		-
		Sungai Ayawan Estate	2025		-
		Sungai Nusa Estate	2025		-
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
		Medang Sari Estate (PT Satya Kisma Usaha)	2025		-
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	2024	Kalimantan Timur Province	-
Rantau Panjang (PT Kresna Duta Agroindo)	2022	Rantau Panjang Estate	2022	Kalimantan Timur Province	-
		Rantau Panjang KKPA	2024		-
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)	2023		-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2024		-
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		-
	2022	Bukit Kapur Estate	2023		ST-1

Bukit Kapur Mill (PT SMART Tbk)		Sungai Cantung Estate	2023	Kalimantan Selatan Province	ST-1
Samsam Mill (PT Ivo Mas 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 Ivo Mas 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 Ivo Mas Tunggal)	2009	Ujung Tanjung Estate	2009	Riau Province	Certified
		Kandis Sejahtera KKPA	2023		-
		Swadaya Mas Bersama KKPA	2023		-
		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
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
		Berkat Ridho KKPA	2023		-
		Produsen Rama Sawit KKPA	2023		-

		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
		Mandiri Jaya Plasma	2022		-
		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)	2024		-
		Kharisma Plasma (PT Kharisma Riau Sentosa Prima)	2024		-
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		-
		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 Pilos Estate	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		
	<p><i>TBP is approve on June 2022.</i></p> <p>There is revision of timebound plan on 14 June 2022 made by Head of Operations Sustainability. There are justification for mills and estates that postpone, with explanation:</p> <ul style="list-style-type: none"> • Pandawa KKPA supply base of Muara Kandis Mill is postponed to 2024 due to the SHM process. • Tanjung Rusa KKPA supply base of Tanjung Kembiri Mill is postponed to 2024 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 2024 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 2023 due to RaCP in Progress. • Kencana KKPA and Kenanga KKPA supply base of Kenanga Mill are postponed to 2024 due to still in process for land rights (SHM). • Perdana Mill and supply bases are postponed to 2025 due to still in process for HGU • Kuayan Mill and supply bases are postponed to 2025 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 2024 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 2023 due to RaCP in progress. • Tangar Mill and supply bases are postponed to 2025 due to still in process for HGU. • Sungai Magalau Mill and supply bases and supply bases are postponed to 2024 due to still in process for HGU and RaCP (LUCA review). • Jalemo Mill and supply bases are postponed to 2025 due to still in process for HGU and RaCP (LUCA review). • Sako Mill and supply bases are postponed to 2025 due to still in process for HGU. • Medang Sati Estate (PT Saya Kisma Usaha) supply base of Hanau Mill are postponed to 2025 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 2024 due to still in process for land rights (SHM). • Rantau Panjang KKPA supply base of Rantau Panjang Mill are postponed to 2024 due to still in process for land rights (SHM). • Tiga Serumpun KKPA supply base of Pelakar Mill are postponed to 2024 due to still in process for land rights (SHM). • Batang Gading Estate supply base of Langling Mill are postponed 2023 due to still in process for RaCP (LUCA review). 				

- Batang Gading KKPA supply base of Langling Mill are postponed to 2024 due to still in process for land rights (SHM).
- Kilis KKPA supply base of Sungai Bengkal Mill are postponed to 2024 due to still in process for land rights (SHM).
- Bukit Kapur Mill and supply bases are postponed to 2025 due to still in process for HGU.
- Rama-Rama KKPA, Berkas Ridho KKPA and Produsen Rama Sawit 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 2024 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 2025.
- Sungai Air Jernih 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 Ivo Mas 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);
- 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**

There are no smallholders on this certification scope.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.4	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore, he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; RSPO Next, and SA 8000. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. In this audit activity performs the assessment of the best management practice, long-term business plan, conservation, GHG, waste management and social. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System, Training Lead Auditor RSPO by Daemeter and Proforest on July 2017; Training SA 8000 by Internal Company; Training Lead Auditor Supply Chain by BM Trada on June 2018; and Training social & worker welfare from RSPO on January 2019. She has been audited experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. In this audit activity performs the assessment of legalities, time bound plan and Supply Chain. Yudhi Yuniarto Tallutondok (Auditor). Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&C, Lead Auditor of ISO 9001:2015, Lead Auditor of ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for the ISPO and RSPO scheme since 2017 for agronomy, OHS, labor, social and legality aspects. In this audit activity performs transparency, worker welfare environmental and OHS. Septian Maulana (Observer). 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. In this audit activity performs as an Observer.
ASA-1.4 + RC	<ol style="list-style-type: none"> Briyogi Shadiwa (Lead Auditor). Indonesian citizens. Associate Degree of Oil Palm Plantation. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified legality, social, SCCS, partial audit, and time-bound plan aspect. Hasiholan Sihombing (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, SA8000 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. In this audit activity, he verified worker welfare and transparency.

3. **Erika Lucitawati (Auditor).** Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Auditor Training, RSPO Lead Auditor Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified environmental, GHG and conservation aspect
4. **Harry Wahyudi (Auditor Trainee).** Indonesian citizen, Bachelor of Agricultural Technology, Department of Agricultural Engineering, Bogor Agricultural University. He has 8 years of working experience as a Field Assistant and Internal Audit Operational in a palm oil company and 3 years working experience as a Supervisor Internal Audit operational in a Industrial Forest Plantation Company. Has attended several trainings such as ISO 19011:2018, ISO 9001:2015, ISO 17021:2015, ISO 17065:2015, ISO 45001:2018, ISO 14001:2015 and OHS General Supervisor. During this audit, has verified best management practices and safety aspect under the supervision of the Lead Auditor.

Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.

2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.4	Number of auditors: 3 auditors Number of days for ASA 1.4 Remote Audit at site: 2 days Number of working days for ASA 1.4 Remote Audit at site: 6 Working days
ASA-1.4 + RC	Number of auditors: 3 auditor and 1 auditor trainee Number of days for Onsite audit ASA-1.4 and RC : 5 days Number of working days for Onsite audit ASA-1.4 and RC document review : 15 Working days
2.2.2	Assessment Process
ASA-1.4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Smart tbk Golden Agri Resources Ltd to the requirements of Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-1.4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (RC). Improvement of findings from main assesment findings were observed by auditors at this ASA-1.4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.4.</p> <p>The assessment program please find Appendix 2</p>
ASA-1.4 + RC	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Smart,tbk, Padang Halaban Mill 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"> • RSPO Notice to CB on RSPO P&C On-site & Remote Audits, on 24th March 2020 • 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 • Contingency RSPO Audit Procedure for RSPO Principles & Criteria and Independent Smallholder Standard (Version 2) Approved by Assurance Standing Committee on 22 October 2021

The scope of certification of PT Smart,tbk consist of one mill (Padang Halaban Mill) and four estate (Padang Halaban, Pernantian, Adipati and Kanopan Ulu 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. Based on this explanation, the risk for Padang Halaban Mill and its supply base is low risk

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-1.4 & RC by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase Recertification. Improvement of findings from ASA-1.3 findings were observed by auditors at this ASA-1.4 & RC assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.4 & RC.

The opening meeting was held on 28 June 2022. As for the participants who attended the opening meeting included the Production Controller, Regional Controller, Estate and Mill Managers, Support Team from Jakarta and other staff. Closing meeting was held on 10 June 2022 attended by the same participants as the opening meeting. Management PT SMART Tbk accept all the onsite ASA-1.4 & RC 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.

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

Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III.

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

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

The assessment program please find Appendix 2.

2.2.3 Locations of Assessment

ASA-1.4 + RC

Padang Halaban POM:

- **Empty bunch area.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Security Post.** Observation of the FFB reception process at the security post, the use of PPE when entering the Mill

- **Sorting Station.** Observation of FFB sorting work practices according to SOPs, implementation of OHS and environmental aspects
- **Conveyor chain station.** Field observations related to OHS evaluation and preventive measures from work accidents that occur on the conveyor chain.
- **Sterilizer Station.** Observation of the FFB boiling process according to SOPs, implementation of OHS and environmental aspects
- **Hosting Crane.** Observation of FFB removal process according to the SOP, the application of OHS and environmental aspects
- **Press Station.** Observation of the pulp compression process according to the SOP, the application of OHS and environmental aspects
- **Boiler Station.** Observation of boiler work process according to SOP, implementation of OHS and environmental aspects
- **Engine Room Station.** Observation of work processes in the Engine Room according to SOPs, implementation of OHS and environmental aspects
- **Clarification Station.** Observation of the oil refining process according to SOP, implementation of OHS and environmental aspects
- **Nut and Kernel Station.** Observation of kernel processing according to SOP, implementation of OHS and environmental aspects
- **Emplacement for Mill Workers.** Observation related to employee's facilities and environmental aspects.
- **WWTP.** Observation and interview related waste water processing, environment, and safety aspect.
- **WTP.** Observation and interview related waste processing, environment, and safety aspect.
- **Empty Bunch Area.** Observation and interview related environment, and safety aspect.

Padang Halaban Estate:

- **Harvest, Block B2 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects
- **Pick Loses Fruits, Block B2 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Path spraying, Block B50 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Path spraying, Block E5 Division 5.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Legume cover crop maintenance, Block G61 & G70 Division 7.** Technical observation of work according to SOP and implementation of OHS aspects.
- **HCV Wanijan River Block H25 Division 8.** Conservation aspect and its attribute.
- **HCV Wanijan River Block H29 Division 8 (downstream).** Conservation aspect and its attribute.
- **HCV Titi Panjang River.** Conservation aspect and its attribute.
- **HGU Pole No. 05.** Observation related to boundaries operational area.
- **HGU Pole No. 03.** Observation related to boundaries operational area.
- **HGU Pole No. 02.** Observation related to boundaries operational area.
- **Land Application Block E2 Division 5.** Observation related water contaminated monitoring activity.
- **Monitoring Well for Land Application Block B38 Division 2.** Observation related water contaminated monitoring activity.

Adipati Estate:

- **HGU Pole No. 03.** Observation related to boundaries operational area.
- **HGU Pole No. 05.** Observation related to boundaries operational area.
- **HGU Pole No. 08.** Observation related to boundaries operational area.
- **HCV Natural Habitat of Kantong Semar (*Nephentes sp.*) Block E48.** Observation the implementation of management in HCV.
- **Fire Tower No. 02.** Observations and interview related OHS, and fire management.
- **Central Warehouse.** Observations and interview related storage management, OHS, and environmental aspect.

- **Workshop.** Observation and interview with hazardous waste operator, emergency procedure, license, and PPE.
- **Fire Warehouse.** Observation and interview related fire equipment and its management.
- **Fuel Tank.** Observation related safety, emergency facility, secondary trap, and prohibited conditions.
- **Hazardous Waste Temporary Storage** Field observations and interview related hazardous waste management, OHS and environmental aspect.
- **Genset Room.** Observations and interview related OHS, and environmental aspect.
- **Harvesting Block C45 Division 3.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Spraying Block D56 Division 2.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Water Level Block D54 Division 2.** Observations and interviews with workers related to implementation of procedure, OHS and environmental aspect.
- **Housing Complex of Division 3.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism.

Pernantian Estate:

- **Harvest, Block C28 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Pick Loses Fruits, Block C28 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Path Spraying, Block C25 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Legume cover crop maintenance, Block C41 Division 3.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Emplacement, Division 1 & 2.** Observation related to employee's facilities and environmental aspects.

Kanopan Ulu Estate:

- **Harvest, B35 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects
- **Pick Loses Fruits, Block B35 Division 2.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Path spraying, Block A39 Division 1.** Technical observation of work according to SOP and implementation of OHS aspects.
- **HCV Aek Kanopan River.** Conservation aspect and its attribute.
- **Central Storage.** Observation related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Chemical Storage.** Observation related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Fertilizer Storage.** Observation related to implementation of material handling, OHS, environmental and worker welfare aspect.
- **Lubricant Storage.** Observation related to implementation of storage activity, OHS, environmental and worker welfare aspect.
- **Workshop.** Observation related to implementation of workshop activity, OHS, environmental and worker welfare aspect.
- **Fuel Station.** Observation and interview with worker related to implementation of storage activity, OHS, environmental and worker welfare aspect.
- **Hazardous Waste Temporary Warehouse.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspect.
- **Housing Complex of Division 3.** Observation and interview with residents related to housing facilities, domestic waste management.
- **Chemical Mixing Area, Rinse House and PPE Storage of Spray Team of Division 3.** Observations related to implementation of procedure, manpower, OHS, environmental aspect.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.4 + RC	<p>Summary of stakeholder consultation process for PT Smart,tbk was held by:</p> <ul style="list-style-type: none"> • Public Notification in RSPO & MUTU Website on 26 May 2022 • Public consultation with NGOs (by email) such as WWF, WALHI, AMAN, and Sawit Watch on 21 June 2022. • Public consultation meeting with government institution on 2 June 2022. • Public consultation meeting with communities on 2 June 2022. • Public consultation meeting with internal stakeholders and contractor 4 June 2022. <p>Numbers of input from stakeholders were clarified by PT Smart,tbk.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-1.1) will be conducted eight (8) month to twelve (12) month after license issued.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Padang Halaban Mill – PT SMART Tbk subsidiary of Golden Agri Resources Ltd operation consisting of one (1) mill and four (4) oil palm estate.

During the assessment, unit management of Padang Halaban Mill and its supply base already comply with RSPO P&C and SCCS requirements.

MUTUAGUNG LESTARI found that Padang Halaban Mill – PT SMART Tbk subsidiary of Golden Agri Resources Ltd complied with the requirements of RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY	
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1	<p>Certification Unit has procedure and has appointed person in charge in the requests for information from stakeholders (SOP/SMART/UMUM/SADVI/004). The Certification Unit also responded to information requests with maximum time of 3 days since mail received. Based on verification document and interview with external stakeholders, management always responds the information request no longer than 3 working days.</p> <p>The types of documents that can be accessed and given to stakeholders are included in the information list for stakeholders, such as public documents, legal document, environmental documents (environmental policy, environmental management, and monitoring report, etc.), social document, OHS policy and program, and manpower documents. These documents are available in Estate and Mill office. The company has provided information that can be accessed by the public according to relevant stakeholders such as land use rights, EHS documents, environmental documents, HCV documents, waste management documents, environmental management, employment etc. For example; periodically, unit certification sends monitoring and management documents to the related institutions such as; Environment Agency, BKSDA, and Manpower Office.</p>
1.1.2; 1.1.3	<p>The unit of certification has list of documents that can be accessed publicly listed in Procedure of Communication, Participation, and Consultation (SOP/SMART/UMUM/SADVI/004) 1 Juli 2014. The submission period for suggestions is no later than 1 week after the letter is received (from the Unit Head to the relevant Department). Respond no later than 3 weeks after the letter is received. Unit of certification can show records of providing information to relevant agencies in the form of routine reports. All available documents are information that can be accessed by the public by submitting an official letter of request for information. All information is provided in Bahasa.</p>
1.1.4	<p>From the results of the document review on the recording of incoming and outgoing mail logs in 2022, there were no requests for information from stakeholders. However, there are some notes regarding donation requests and routine reporting to related institutions. For example:</p> <ul style="list-style-type: none"> Records of requests to PT SMART Tbk – Pernantian Estate on 24 March, 2022 regarding the proposal for a request for road repair and heavy equipment utilization from Sungai Raja Village with No. 521/168/SR/2022. With response date 28 March, 2022 Records of request to PT SMART Tbk – Padang Halaban Estate on 7 June 2022, regarding a request for funding assistance from

Pesantren Syahru Thoyyibah in Kampung Jawa Village, Aek Kanopan. With response date 17 June, 2022

The unit of certification has recorded in the Communication and Consultation Book, shows that responses were provided in an adequate and timely manner, i.e. no later than 3 weeks after the letter is received.

1.1.5

The company has a recording of a updated stakeholder list made by the SPO Officer in each area and explains the name of the institution/organization, address, contact number and name of the serving personnel, such as contractors, labor unions, government institutions, villages around the company, etc. The person to be contacted clearly stated in the stakeholder list. From the results of interviews via telephone with stakeholders referring to the list, it can be connected and the information found is valid.

Status: Comply

1.2

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

1.2.1

Organization has established the policy "Principles of business ethics" date on 01 August 2014. The company committed to continue practicing responsible business ethics referring to the shared values of the company i.e. integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, a proper disclosure of information in accordance with applicable regulations and accepted industry practices, principles and criteria of the SPO. It's consists of 5 policy can be summarized in:

- Corporate practice and disseminating the shared values to all employees in the conduct of all business activities.
- Support the implementation of the 10 principles of UNGC – United Nation Global Compact, in which there is a core value of the device i.e. human rights, labour, environment and anti- corruption
- The Company does not provide for any tolerance of corruption in business practices undertaken by employees.
- The Company is committed to the ethical standards of behavior in the management of all activities of business practices including.
- Company implement good corporate governance and respect fair conduct of business.

The policy has been disseminated to stakeholders, for example to PHLM employees on 18-19 February 2020, to employees PHLE on 20-25 April 2020, to CPO and Kernel transport drivers on 27 October 2020. Based on interview with workers and contractor, it's known that they had a good understanding towards code of ethic policy. Based on explanation above, company has policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.

Besides, Unit of certification has shown implementation of business ethic in recruitment and contract. For example, Unit of certification has shown 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), result of written test, result of interview test, and work agreement letter, on behalf of SHR (initial) who started working on 1 August 2021-31 July 2022. Furthermore, Unit of certification has also shown agreement with number 003/ADPE/JKTO/03/2022 on 21 March 2022 between PT Smart Tbk and PT Chronos Universal for housing complex construction which is valid from 15 March 2022-10 November 2022. PT Chronos Universal has also signed Fact of Integrity with that contract number on 21 March 2022 which has contained statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed 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.

1.2.2

Code of ethics policy implementation mechanism, among others, is through Internal Audit checks and due diligence in the selection of third-party contractors/suppliers, which states in the agreement that the parties must comply with applicable regulations such as no forced labour and child labour. In addition, the involvement of stakeholders in monitoring in this implementation, SOP for Handling Complaints and Dissatisfaction (No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022).

Based on field observation to estate and mill, it was known that contractor used by Unit of Certification are FFB transporter, civil contractor, testing inspection service, etc. Implementation towards safety and manpower aspect has regularly and evaluate periodically by estate or mill management every month, as presented in Form No. F/SMART/UMUM/SADV/006/002 about evaluation and recommendation of contractor.

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 shows document No. F/SMART/GENERAL/SADV/002/002 which contains an evaluation form for compliance with the 2022 regulations which includes regional regulations and national regulations which are updated annually. The list of laws/regulations listed has covered several aspects such as permits and legality of land, labor, occupational health and safety, best management practices and the environment. Some examples of compliance with regulations that have been carried out include:

Legality Aspect

- Company had "Tanda Daftar Perusahaan" Document with number 1053/24.3.0/31.71.06.1004/1.826.42 (PT Leidong West) and NIB no. 8120107941172 (PT Smart, Tbk).
- HGU Report to Land Agency on 5 November 2021 (No. 084/RC-SU/XI/2021) for PT Smart, Tbk and on 5 November 2021 (No. 085/RC-SU/XI/2021) PT Leidong West.
- NPWP: 01.002.846.2-073.000 (PT Leidong West)
- NPWP: 01.000.183.2-092.000 (PT Smart, Tbk)

OHS Aspect:

The company in general has complied with OHS regulation, including:

- Occupational Health and Safety Committee (P2OHS): has a P2OHS organizational structure and emergency response that has been approved by the *Dinas Tenaga Kerja Kabupaten Pelalawan*, has a P2OHS program, organizes Occupational Health and Safety training programs, quarterly P2OHS reports, has procedures related to OHS and Emergency Response, etc.
- Provision of Personal Protective Equipment (PPE) from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC. Provision of PPE from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC.
- Conduct a general medical check-up (Medical Check Up) every year for all workers and special examinations (cholinesterase, and audiometry) according to the level of risk / danger for a particular job.
- Having a license/competence for several special jobs that require more expertise such as OHS experts, boiler operators, diesel engine operators, welders, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Conduct an internal audit of the Occupational Health & Safety Management System.

Best Management Practice Aspect:

- The company has submitted a report on the development of the plantation business on a regular, namely every semester to the relevant agencies. For example, the Adipati Estate Business Development Report for the second semester of 2021 has been reported in February 2022.
- Using oil palm seeds from seed-producing companies that are recognized and certified by the authorized agency
- Have a policy to stop the use of paraquat herbicide and no use of paraquat herbicide was found.

Manpower Aspect:

- Employment Report for PHLM (No. 21455.20220511.0002) in 2022 via online on 11 May 2022 and must be reporting back on 11 May 2023.
- Employment Report for PHLE (No. 21455.20220506.0001) in 2022 via online on 6 May 2022 and must be reporting back on 6 May 2023.
- Employment Report for ADPE (No. 21452.20220612.0001) in 2022 via online on 12 June 2022 and must be reporting back on 12 June 2023.
- Employment Report for KULE (No. 21457.20220111.0001) in 2022 via online on 11 January 2022 and must be reporting back on 11 January 2023.
- Employment Report for PRNE (No. 21452.20211210.0004) in 2022 via online on 10 December 2021 and must be reporting back on 10 December 2022.
- Contract Worker Record as many as 17 workers (loose fruit pick worker) on 20 October 2021 in PHLE and 30 workers (loose fruit pick worker) on 1 August 2021 in PRNE to Manpower Agency of Labuhanbatu Utara Regency.

Environment:

- Permit for Temporary Storage Permit for Hazardous and Toxic Waste
- Permit for Utilization of Liquid Waste for Land Application
- Documented Environment and Social Impact Assessment Environmental Evaluation

2.1.2

The certification unit has SOP to comply with regulations & other requirements (SOP / SMART / GENERAL / SADV / I / 002, dated July 1, 2014). Regulatory updates are carried out at least once a year (Updated on 22 June 2022). The officers responsible for updating the list of regulations according to the SOP are: Identification of regulations at the national level by SADV and at the regional level by Regional SPO Officer and SPO Officer unit. The document describes the company's compliance with the regulations in force in the Republic of Indonesia, for example the fulfilment of the latest regulations such as the Decree of the Governor of Sumatera Utara regarding the Provincial Minimum Wage for 2022.

2.1.3

The company has a map that showing the location of the boundary poles in each estate. The company has also monitored HGU boundary pole in 2021/2022 by showing the results of monitoring record "*Monitoring Patok Batas HGU Periode Mei-Juni 2022*", in accordance with the maintenance procedures (SOP / SMART / CERS-EHSD / SADV / I / 004, 1 July 2014). The procedures include stating that the PMNP team ensures and coordinates with the head unit so that the position and number of the stake are in accordance with the Land Use Title / and Building Right map. In addition, it is also stated that the stakes care is carried out at least 1 x 4 months. The results of virtual field observations on the boundary pole for example No. BPNVI, BPNVII, BPNVIII (Kanopan Ulu Estate) and BPN15, BPN16 (Pernantian Estate) are found and that the condition of the boundary poles is well maintained.

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

Unit certification shows a list of contractors for the 2022. Unit certification has cooperation with contractor in several fields such as CPO and PK transporter, mounding palm oil, mechanical work, FFB transporter and road maintenance in unit of PHLM, PHLE, ADPE, PRNE, and KULE as shown below:

- PT Kereta Api Indonesia (KAI)
- PT Chronos Universal
- CV Sejahtera Abadi
- CV Sawita Sejahtera Logistik
- PT Surya Baru Prima Nusantara
- CV Bima Jaya
- CV Fajar Dolpa

2.2.2.

In managing contractor, Unit of Certification has copy of collaboration agreement with each contractor. For example, Unit of Certification has shown its agreement which has shown that there were several separate clauses on the work agreement between Unit of Certification and contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to registration of workers' health and social security insurance, provision of minimum wages, obligation to use PPE, other permits such as tax payment and others. For example, Unit of Certification has shown agreements between two parties as follows:

- Agreement with number 003/ADPE/JKTO/03/2022 on 21 March 2022 between PT SMART Tbk and PT Chronos Universal for housing complex construction which is from 15 March 2022-10 November 2022.
- Agreement with number 018/PHLE/JKTO/04/2022 on 25 April 2022 between PT Smart Tbk and PT Universal Surya Baru Prima Nusantara for replanting which is valid from 1 April 2022-21 December 2022.

Unit of Certification has also shown health and worker insurance (*BPJS Kesehatan and Ketenagakerjaan*) for 2022 period for PT Chronos Universal and PT Universal Surya Baru Prima Nusantara on *BPJS Kesehatan* for period of July 2022 on 4 July 2022 and also *BPJS Ketenagakerjaan* of April 2022 on 21 May 2022. Besides, Unit of Certification shows example of pay slip for contractor's worker and proof of payment for employment and health Insurance and Social Security (BPJS), for example for PT Chronos Universal for May 2022, for example, ADR (initial) has got IDR 7,000,000. Unit of Certification shows contractor evaluation form which was carried out in

the period 2022 on 5 May 2022 which informs several aspects of assessment, including compliance with labor regulations, implementation of OHS and compliance with environmental regulations.

2.2.3.

Unit of Certification has already fact of integrity from each contractor. For example, Unit of Certification has shown fact of integrity as follows:

- There is Fact of Integrity for PT Chronos Universal contract number 003/ADPE/JKTO/03/2022 dated 21 March 2022.
- There is Fact of Integrity for PT Universal Surya Baru Prima Nusantara contract number 018/PHLE/JKTO/04/2022 dated 25 April 2022.

In a document that has been signed by the contractor which contains a statement related to anti-bribery, anti-corruption, anti-forced and trafficked labor and prohibition of underage worker. Based on document review and field observation, it showed 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.

Status: Comply

2.3

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

2.3.1

Padang Halaban Mill has recorded the source for the period 2020/2022, it is known that company only received from their own estate.

2.3.2

From the recorded data on FFB receipts for the period 2020/2022 period, Padang Halaban Mill not received FFB from collector.

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 record of long-term planning in the Profitability document of PT SMART for the period 2021-2026 made by the Regional Operational Cost Center (ROCC) in February 2022. The document contains information on plantation business including projected production of FFB, CPO, Kernel Oil, extraction projections CPO and Kernel, and replanting.

	2021	2022	2023	2024	2025	2026
Total FFB Processed (ton)	365,966	371,165	377,344	365,646	347,100	324,651
CPO (ton)	84,172	73,715	75,416	74,453	70,364	65,364
OER (%)	23.0	19.9	20.0	20.4	20.3	20.1
PK (ton)	20,128	17,628	18,035	17,804	16,827	15,631
KER (%)	5.5	4.7	4.8	4.9	4.8	4.8
Net Profit/Loss (x1,000 Rp)	287,570	222,558	216,583	213,790	194,038	175,271
Replanting (Ha)	253.97	620.32	-	763.03	671.61	344.16

Based on the description above, it is concluded that the company has a record of long-term planning and monitoring of plantation business.

3.1.2

The Company have replanting plan for PT. SMART which is described in the following table:

Estate	Program Replanting (Ha)					
	2020	2021	2022	2023	2024	2025
ADPE	-	-	-	-	-	-
KULE	302.93	-	-	-	-	-
PHLE	571.81	-	620.32	-	499.21	671.61
PRNE	-	253.97	-	-	263.82	-
Total	874.74	253.97	620.32	-	763.03	671.61

Based on the table above, knowing that the company annual replanting program projected for a minimum of five years.

3.1.3

The company has a procedure for conducting a management review with the number SOP/SMART/GENERAL/SADV//010. Management reviews have been carried out at least once a year, for example, the company shows records of the implementation of management reviews to conduct periodic evaluations contained in the Minutes of Management Review Meetings for the North Sumatra Region in 2021 and 2022 which were ratified on April 29, 2021, and May 11, 2022, by the North Sumatra Regional Controller. In the Minutes of the Management Review Meeting, discussions were held on internal audit/external audit reports, evaluation of internal/external communications, evaluation of required corrective and preventive actions, evaluation of the achievement of program objectives, changes in the scope of system planning, changes in organizational policies, organizational performance and recommendations for improvement.

Status: Comply

3.2

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

3.2.1

The company shows evidence of implementation for continuous improvement. of which are shown as follows:

- Records of the implementation of management reviews to conduct periodic evaluations contained in the Minutes of Management Review Meetings for the North Sumatra Region in 2021 and 2022 which were ratified on April 29, 2021, and May 11, 2022, by the Regional Controller of North Sumatra. In the Minutes of the Management Review Meeting, discussions were held on internal audit/external audit reports, evaluation of internal/external communications, evaluation of required corrective and preventive actions, evaluation of the achievement of Program Objectives, changes in the scope of system planning, changes in organizational policies, organizational performance and recommendations for improvement.
- Records of the results of the RSPO internal audit of PT SMART, which was conducted on 04 – 08 April 2022, with the result that there were no non-conformities in the RSPO internal audit.
- Operational Internal Audit Report which discusses the findings, action plan, Regional Controller response, Person In Charge, and target date. The following is the implementation time of the Operational Internal Audit at PT. SMART:
- Operational Internal Audit at PHLE was carried out on 03 – 21 February 2022.
- Operational Internal Audit at ADPE was carried out on 05 – 21 March 2022.
- Records of the PT SMART Occupational Health and Safety Management System Audit report conducted on April 04 – 18, 2022. Implementation, development and performance of the company's OHS in accordance with the Occupational Health and Safety Management System and the applicable legal provisions in Indonesia. The results of the audit are that the Occupational Health and Safety Management System implemented by PT SMART has met 97.6% with a satisfactory level of application of audit criteria in the implementation of PP No. II. 50 of 2012 for the advanced level of achievement. In addition, the application level there were no findings in the critical or major categories.
- Implementation of innovations for sustainable business improvement that have an impact on the environment and social improvements, such as innovations in the BMP & OHS aspect, namely trailer hoppers for mechanical fertilization, sweeping circle plants, mechanical spraying using emdek, modification of bushing gear box emdek fertilizer spreader, not using paraquat pesticide, carrying out PPE Usage Inspections to ensure employee PPE has been used and in accordance with procedures, carrying out periodic and special medical checks.

3.2.2

The company has shown the auditor regarding the RSPO metric template Version 2.1 that has been filled in according to the facts and data in the company's record documents, such as the number of workers, the area of production to the record of work accidents. Based on team auditor's review, the information has been matched with others document, such as supply chain record, demographic workers, etc.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company already has a Technical SOP-IK (standard international procedure- work instruction) document for Palm Oil Cultivation starting from land preparation to harvesting which was prepared by the 2012 MCAR (Management Committee Agronomy and Research) team. The SOP includes Replanting Planning, Nursery, Land Clearing, Planting, Replanting, Pest and Disease Control,

Weed Control, Fertilization, Maintenance of Immature Plants, Preparation Before Harvest, Harvest, Loading and Transportation of fresh fruit bunches, and Rainfall Measurement with Ombrometer.

The company also has a complete SOP related to the processing of palm oil into CPO and PK at the Palm Oil Mill. SOP/SMART/MCMD/I/TM-PKS. SOP made by the MCMD Chair and approved by the Head of Upstream. has been in effect since December 6, 2013. The SOP includes standard operating procedures at PKS including: Stations for receiving fresh fruit bunches, Sterilization station, Threshing Station, Press Station, Clarification Station, Nut and Kernel Station, Boiler Station and Engine Room, Water Treatment Station and Fresh Waste Treatment.

Based on field visits and interviews with spray, harvesting, and fertilizing workers, it was concluded that the workers understood their work procedures well.

Based on visits and interviews with 1 machine room operator and 1 operator at the sterilizer station, it was concluded that workers understand and can explain their work SOPs well.

3.3.2

The company already has a mechanism to check the implementation of consistent procedures through the Internal Audit SOP by number (SOP/SMART/GENERAL/SADV/I/009). Ensuring consistency in the implementation of procedures, the company routinely conducts internal audits, both agronomic and mill. This is held by the Operational Internal Audit Department (OIA) every semester and internal compliance verification every year. Each unit has documented plantation and mill production operations such as daily reports, supervisor workbooks, etc. Field visits at the Mill showed that the unit had documented daily activities in daily production reports which were documented using a computerized system.

3.3.3

The company shows the Operational Internal Audit Report which discusses the findings, action plan, Regional Controller response, Person In Charge and target date. The following is the implementation time of the Operational Internal Audit at PT. Smart,tbk:

- Operational Internal Audit at PHLE was carried out on 03 – 21 February 2022.
- Operational Internal Audit at ADPE was carried out on 05 – 21 March 2022.

The company also monitors contractor performance through compliance audits/internal audits, the company monitors and evaluates contractors through contractor evaluation activities which are conducted once a year. All monitoring records and actions taken by the company are available and well managed and are in accordance with document and record control procedures with procedure number SOP/SMART/GENERAL/SADV/I/001.

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 certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage, and the post-operation stage. Some of the documents held by the certification unit include:

Environmental Impact Assessment (EIA)

- **PT SMART – (Padang Halaban Estate, Adipati Estate, Pernantian Estate, Padang Halaban Mill)**

In 1993, PT SMART Tbk has prepared an Environmental Evaluation Study (SEL) document which was approved by the Ministry of Agriculture on July 28, 1993 with No. RC.220/1262/B/VII/1993 for a total concession area of 7,660 ha with a factory capacity of 60 tons/hour. Therefore, the Pernantian and Adipati unit plantations located in Marbau District are not included in the PT SMART Tbk SEL document.

With the issuance of the Decree of the State Minister of Environment No. 12 of 2007 concerning DPPLH for businesses and/or activities that do not have an Environment Management Document on March 25, 2007, with a reply to letter No. B-5502/Dep.I/h/07/2008 regarding the fulfilment of completeness of PT SMART Tbk's DPPL document data. The certification unit

has environmental documents in the form of Environmental Management and Monitoring Documents (DPPL) of PT SMART Tbk's Oil Palm Plantation and Processing Factory in 2009 in Aek Kuo District, NA IX-X, Marbau, Bilah Hilir, Labuhanbatu Utara Regency, North Sumatra Province. Through Governor Decree No. 1888.44/506/KPTS/2010 dated August 16, 2010. With a total area of 12,332.99 ha which is divided into 3 units, namely Padang Halaban, Pernantian and Adipati Units, which are located in 4 different stretches. The Palm Oil Mill is located in the Padang Halaban unit with a processing capacity of 60 tons of FFB/hour. RKL RPL Matrix, including;

- Air quality
- Noise
- Soil Quality
- Surface water quality
- Ground water quality
- Flora and fauna
- Job and business opportunities
- People's attitudes and perceptions
- Public health

• **PT MP Leidong West Indonesia (Kanopan Ulu Estate)**

Environmental Management and Monitoring Documents PT MP Leidong West Indonesia Palm Oil Plantation, in the Districts of Kualuh Hulu and Kualuh Hilir, Labuhanbatu Utara Regency, North Sumatra Province in 2009. Through the Decree of the Governor of North Sumatra No. 188.44/424/KPTS/Tahun 2010 dated June 23, 2010. The area of Kanopan Ulu plantation based on the HGU permit is 4,845.85 ha. However, the area managed by the plantation is currently only 3,319.56 ha, because there are several areas that are still controlled by the community. RKL RPL Matrix, including;

- Air quality
- Noise
- Soil Quality
- Surface water quality
- Groundwater quality
- Flora and fauna
- Employment and business opportunities
- People's attitudes and perceptions
- Public health

Social Impact Assessment

• **PT SMART – (Padang Halaban Estate, Adipati Estate, Pernantian Estate, Padang Halaban Mill)**

Study Report on Identification of Social Impacts of Oil Palm Plantation of PT SMART Tbk Padang Halaban Estate & Mill in Aek Kuo District, Labuanbatu Utara Regency, North Sumatra Province in 2010 by SMART Research Institute. Assessing the evaluation of the social impacts caused through the aspects of population, economy, and socio-culture.

The SIA document contains evidence of the participation of affected villagers, as well as internal stakeholders. Participation was carried out through interviews and focus groups involving village and community leaders (Perkebunan Padang Halaban Village, Aek Korsik Village, Perkebunan Paningoran Village, Karang Anyar Village, Sidomulyo Village, and Purworejo Village), traditional leaders, youth leaders, and others. The results of the consultation meetings have been summarized in the SIA report. As part of social impact management, the company has carried out Corporate Social Responsibility (CSR) alignment by considering the results of the AMDAL study and Social Impact Analysis. The results of the social impact study explain the impacts, proposed action plans and targets achieved, among others related to:

Positive impact:

- Socio-cultural sector: mass circumcision, compensation for orphans and the elderly, cheap basic necessities, social activities for residents assisted by companies such as; sports, commemoration of national holidays, religious holidays), residents have no difficulty in taking care of those who are grieving because there is a death fund, orphanage funds every year, and repair of worship facilities.
- Economic sector: employment opportunities, shepherding in the estate area, new business opportunities for community, and economic improvement and development of the village area around the plantation

- Health sector: free medical treatment, construction of culverts, community getting access to clean water during special events, cleaning of ditches separating estates and communities by the company.
- Education sector: improvement of facilities, additional extracurricular activities at school
- In the field of public facilities and infrastructure: road repairs, easy access to roads if the community is harvesting in private plantation

Negative impact:

- PHLE: unequal distribution of labor from certain villages as plantation employees, noise from transporting FFB, a lot of dust due to estate transportation, and aid being distributed unevenly or on target
- PHLM: empty beds with the smell of animals around them which disturbs residents, workers from the village have not been evenly distributed as estate employees, noise from transporting FFB, and a lot of dust due to estate transportation

• **PT MP Leidong West Indonesia (Kanopan Ulu Estate)**

Study Report on Identification of Social Impacts of Palm Oil Plantation of PT MP Leidong West Indonesia in 2010 by SMART Research Institute. The SIA document contains evidence of the participation of affected villagers, as well as internal stakeholders. Participation was carried out through interviews and focus groups involving village and community leaders (Damuli Pekan, Sialang Taji, Pulo Dogom, Kanopan Ulu, Perpaudan, Aek Kanopan), traditional leaders, youth leaders, and others. The results of the consultation meetings have been summarized in the SIA report. As part of social impact management, the company has carried out Corporate Social Responsibility (CSR) alignment by considering the results of the AMDAL study and Social Impact Analysis.

Positive impact:

- Opportunity to work
- The development of the area and the economy of the population around the village increases
- Residents are free to heard, to take sticks (*lad*), and use the main road (residents access to their private estate)
- Construction of worship facilities
- Road facilities and infrastructure are built and maintained
- There are social activities that help the community
- Residents' access to estate facilities (football field, and construction of a motorcross arena by the estate)

Negative impact:

- Uneven distribution of labor in the villages around the plantation
- Completion with employee recruitment also considers the village origin of the prospective employee so that employee acceptance based on village origin can be more evenly distributed.
- Roads that have not been repaired, and dust pollution from the transportation of plantations and mills around the plantations
- The solution is to repair roads in Pulo Dogom and water the roads during the dry season in the village of Silang Taji.

Identification of High Conservation Values (HCV) at PT SMART Tbk in Labuan Batu Regency with a total conservation area of 399.25 ha and for Kanopan Ulu Estate unit area of PT MP Leidong West Indonesia in Kanopan Ulu Plantation Village, Kualuh Hulu District, North Labuhanbatu Regency with total conservation area is 4.75 ha. HCV assessed by HCV Identification Team PT SMART Tbk Environmental Department's in 2011 consist of protected and endangered species areas, river riparian, and cemetery. HCV areas was mapped by 1:100,000 scale and this HCV identification covered all estates/mill operational areas including surrounding landscape and RTE species.

Based on document review, there are several impacts which has been identified including negative and positive impacts. Based on result of interview with representatives of community, governmental institutions, and internal stakeholders of PT SMART and PT MP Leidong there is no issue which has not been identified in SIA document.

3.4.2

Environmental Impact Assessment (EIA)

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented. Certification unit has also evaluated for each significant impact monitoring parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that all parameters are still appropriate by the related Quality Standards, and there is no indication of contamination.

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental

Permits owned by the company. The certification unit makes RKL-RPL reports based on attachment of Environmental Permit where the matrix is a compilation of all previously owned. The environmental management and monitoring matrix describes the impact of plantation activities and mill operations, also explains the evaluation of the trend level, critical level evaluation and evaluation of compliance with the results of management and monitoring that have been carried out on the following aspects;

- Air quality
- Noise
- Soil Quality
- Surface water quality
- Ground water quality
- Flora and fauna
- Job and business opportunities
- People's attitudes and perceptions
- Public health

The environmental management report is carried out every 6 months and submitted to the relevant agency, for example can be proof with;

- Proof of receipt of PT SMART Tbk – Padang Halaban Mill Environmental Management and Monitoring Implementation Report (RKL/RPL) for Semester II 2021 dated March 14, 2022 to the DLH Labuhanbatu Utara Regency.
- Proof of receipt of PT SMART Tbk – Padang Halaban Mill Land Application Monitoring for Semester II 2021 dated March 14, 2022 to the DLH Labuhanbatu Utara Regency.
- SIMPEL TTE proof for reporting RKL RPL documents PT SMART Tbk – Padang Halaban Mill ID: 1646971122-2203 dated 11 March 2022
- SIMPEL TTE proof for reporting Hazardous and Toxic Waste monitoring documents PT SMART Tbk – Padang Halaban Mill ID: 1655478952-640 dated 17 June 2022
- Proof of receipt of PT MPLWI – Kanopan Ulu Estate Environmental Management and Monitoring Implementation Report (RKL/RPL) for Semester II 2021 dated March 24, 2021 to the DLH Labuhanbatu Utara Regency.
- SIMPEL TTE proof for reporting RKL RPL documents PT MPLWI – Kanopan Ulu Estate ID: 1632729055-3967 dated 27 September 2021

Social Impact Assessment

Review report on the management and monitoring plan of the social impact of oil palm plantations of PT MP Leidong West Indonesia Kanopan Ulu Estate, Labuhanbatu Utara Regency, North Sumatra Province for the 2019-2021 period. This study involved stakeholders related to the social impacts caused by PT MPLWI's activities, namely, Pekan Village, Sialang Taji Village, Pulo Dogom Village, Kanopan Ulu Village, Parpaudangan Village, Aek Kanopan Village, trade unions, and employee representatives.

General description of the study area in the form of:

- Demographic conditions
 - Condition of natural and human resources
 - The role of women in the social economy
 - Food security
 - Social culture
- Vulnerable groups; children, women and the underprivileged
- Overview of stakeholders
 - Local government
 - Village head
 - Danramil and police chief
 - Public figure
 - Trade union manager
 - Local contractor

In the 2019-2021 period, Unit Certification has managed social impacts on two potential negative impacts identified from the results of the previous review. Two potential negative impacts that are managed include:

Social Impact Management and monitoring:

- Improving the quality of community accessibility facilities, with social impact management actions:
 - Make plans for maintenance schedules for estate access roads that are passed by the community as well as company access routes on a regular basis (per 6 months) depending on the weather and operational equipment
 - Carry out maintenance of company access roads used by village communities
- Concerns about the negative impact of replanting activities carried out by the company to the community, with social management actions in the form of:
 - Providing information to the village/ government with replanting activities to the village government
 - Create a buffer from the company's dishes by poisoning the tree in an effort to prevent the spread of pests to the community area
 - Performing the husky chipping method to accelerate stem weathering so that the breeding ground for pests is reduced
 - Installing pheromone traps around company dishes

Based on the information above, it can be concluded that the company already has the relevant documents assessment of social and environmental impacts and their management and monitoring plans by involving the participation of affected stakeholders.

The participant for SIA adequate compare their operational activities because already covered representatives from; affected parties, community leaders, and village representatives as well as internal company employees. Includes; Gender Committee, Union Representatives, residents in the employee housing area, and villages around the plantations and mills.

3.4.3

Environmental Impact Assessment

The company has documents, the implementation of the results of the environmental permit including reports to agencies in the form of RKL-RPL documents which are conducted every semester and reported to related agency (explain in indicator 3.4.2). The effectiveness of environmental management and monitoring can be seen from the results of environmental management and monitoring analysis, which can also be seen from the suitability between the management and monitoring plans and their implementation in the field. The RKL-RPL document also shows that the company has managed all the critical impacts recommended in Environmental permits. Include impact analysis by trend evaluation, critical level evaluation and compliance evaluation.

From field observation found that environmental management in accordance with the RKL-RPL by installing signboard for conservation areas, marking in the form of stakes, and red paint marks for spray-boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilizer workers, they also stated that they were aware of the prohibition on applying chemicals to the buffer zone marked in red. In addition, they do not apply chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds.

From the documents review related to environmental monitoring in the RKL-RPL document for the semester 2 of 2021, it is known that there are no measurement results that exceed the environmental quality standards. Even though, the unit of certification has made several efforts to maintain its quality.

Social Impact Assessment (SIA)

The company has managed and monitored social impacts in accordance with what has been stated in the Social Impact Monitoring Report year period of 2019-2021. In general, social impact management activities have been carried out with the aim of reducing the identified negative impacts.

Based on SIA monitoring, it is known that the unit of certification has implemented social management programs through the CSR programs that have been implemented in 2021, which are as follows for example:

- Social aspect; mass circumcision, orphanage assistance, and assistance to the *Pesantren Darul Hijrah*
- Health aspect; *posyandu*, and cataract, hernia, cleft lip surgery
- Infrastructure aspect; watering village roads, heavy equipment assistance for ditching, and mosque watering, village roads, renting heavy equipment for ditching, and building mosques
- Economic aspect; cheap cooking oil bazaar

Status: Comply

3.5

A system for managing human resources is in place.
3.5.1

Unit of Certification has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labour Agreement 2018-2020 written in Bahasa. In general, these procedures describe:

- Recruitment of workers is based on needs and adjusted to ability of company.
- Age of the prospective worker is minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on ability, expertise and assessment of prospective workers.
- Company is authorized to carry out placement, transfer and promotion of workers in accordance with applicable regulations.
- Termination of employment can occur when a worker retires, dies, resigns, and terminates an employment agreement due to a serious violation and others.

In addition to being publicly listed in letter of agreement, Unit of Certification has other procedures in the form of Policies, SOPs, Internal Memorandums and others related to recruitment, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives.

For example, Unit of Certification has also shown temporary workers agreements in estates which is shown below:

- Work Agreement Number 001/PHLE/PKWT/09/2021 dated 17 September 2021 on PHLE with BMB (initial) as loose fruit picker from 14 October 2021 until 13 October 2022.
- Work Agreement Number 23/PRNE/PKWT/08/2021 dated 1 August 2021 on PRNE with SHR (initial) as loose fruit picker from 1 August 2021-31 July 2022.

Each temporary worker agreement has been recorded and registered to Manpower Agency of Labuhanbatu Utara Regency. For example, Unit of Certification has shown evidence of contract worker (PKWT) records to Manpower Agency based on document of Contract Worker Record as many as 17 workers (loose fruit pick worker) on 20 October 2021 in PHLE and 30 workers (loose fruit pick worker) on 1 August 2021 in PRNE to Manpower Agency of Labuhanbatu Utara Regency.

From this explanation it can be concluded that Unit of Certification has procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented/available to workers and their representatives.

3.5.2

Unit of Certification has documented all labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. For example, Unit of Certification has shown labor procedures that have been implemented and are well documented as shown below:

- 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), result of written test, result of interview test, and work agreement letter. For example, a worker on behalf of SHR (initial) who started working on 1 August 2021-31 July 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of RKR (initial) in PHLE who had a promotion based on worker's appraisal, from grade PT4A to PT3 in 2021.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of BMS (initial) in PHLE who had a promotion based on worker's appraisal, from contract worker to PT4A in 2021.
- Termination document such as the management decree of employment's termination on behalf of SKR (initial) in PHLM. Unit of Certification also showed other supporting documents such as the management decree of employment's termination, debt certificate, calculation of termination payments, and proof of its payment in accordance with the applicable laws.

Based on interviews result with Manpower Agency of Labuhanbatu Utara Regency, Unit of Certification had been applied the existing labor procedures in accordance with the regulations. During 2021-2022, there were no issues related to manpower.

Status: Comply

3.6
An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.
3.6.1

The company shows the results of risk identification for the 2022 period which has been approved by the OHS Committee head of each unit in January 2022, the document, among others, explains all activities in the Mill and estates, identification of potential hazards

(sources of events and impacts), existing controls, initial risk analysis (level of likelihood, severity and level of risk).

Examples of HIRAC at the Mill include Boiler operating activities, one of the sources of danger is from the explosion of steam aircraft which has an impact on death, preventive controls carried out include installation of safety valves, modulating control, automatic trips, boiler operating instructions and inspection of steam aircraft. Examples of HIRAC in the Estate include cutting FFB activities, one of the sources of danger is falling FFB and being exposed to work tools that have an impact on limb injuries, preventive controls that are carried out include socializing work instructions, using safety helmets and boots.

Regarding the online news www.kompas86.com/nasional/kecelakaan-kerja-terjadi-di-PKS-pt-SMART-tbk-padang-halaban related to the news of work accidents that occurred in the PKS area on May 30, 2022, the company has shown proof of handling steps as follows:

- Making Minutes of Events
- Create accident investigation reports
- Follow-up on accident investigations such as: socialization of OHS, Training Log Out Take Out (LOTO), addition of floodlights, ISBPR review, LOTO for each worker, name tag panels, manufacture of engine safety covers.
- BPJS payments to victims

The company has explained in the ISBPR document related to the operational work of the FFB conveyor, which has an impact on death if it is pinched by the conveyor, the controls carried out by the company include the installation of a safety cover conveyor, installation of OHS warnings, socialization of conveyor operational IK and the use of PPE.

Based on observations at PHLM, it is known that the installation of the safety cover conveyor has not been completed, so this is an opportunity for improvement for the company to complete the progress of installing the safety cover conveyor **(OFI)**. Based on observations and interviews with harvest workers in block C26 Division 3 PRNE, block B35 Division 2 KULE and block B52 Division 2 PHLE, it is known that workers already understand safe work practices by using appropriate PPE.

3.6.2

The Company's OHS plan compiled in 2021 has been evaluated with the results of the OHS program having all been realized/closed. Evaluation of the implementation of the OHS program includes regular OHS committee reporting, results of health checks, inspections, accident investigations and training/simulations. The effectiveness of the OHS plan is reviewed in the monthly OHS committee meeting.

The following is an example of an OHS plan and realization in 2021 at ADPE:

- Special Medical checkup, planned in April 2021 and realized in April 2021.
- Periodic general medical checkup, planned in February 2021 and realized in February 2021.
- Safety patrol, planned and realized every month.
- Socialization of OHS Policy, planned in April 2021 and realized in April 2021.
- First aid training, planned in April 2021 and realized in April 2021.
- Regular OHS committee management meetings are planned and implemented every month.

Based on the evidence above, it is concluded that the company has an effective OHS plan and realization.

Status: Comply

3.7

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

3.7.1

Unit of Certification has shown results of training identification and program for 2021-2022 on 2 January 2022 in order to improve the competence and expertise of all workers including contractors. Unit of Certification had identified the needs of competence standard and the proposed training for each worker (including contract workers). The needs of competence standard and the proposed training for each worker (including contract workers) which is shown by Unit of Certification, for example:

- Training certification including RSPO, ISPO, ISCC and GHG Calculation
- Training of environmental aspects including environmental aspect, hazardous and toxic waste management, pesticide handling, waste management and energy saving.
- Training of OHS including first aid, fire extinguisher usage, and OHS.
- Training of social impact assessment

- Training of Agronomy including LSU & SSU, spray & manuring, and pest control.

3.7.2

Unit of Certification 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:

- First aid officer training on 15 October 2020 for 4 days by the Manpower Office in collaboration with OHS Service Providers. The training was attended by 8 employees and staff. During the audit, the company can show the attendance list and documentation of the training.
- Critical Control Point (CCP) training on June 26, 2020 for 1 day by internal companies. The training was attended by 20 employees and staff. During the audit, the company can show the attendance list and documentation of the training.
- Work Accident Reporting and Investigation Training on 17 March 2020 for 1 day by PCDV. The training was attended by 1 employee and staff. During the audit, the company can show the attendance list and documentation of the training
- Training of certification including RSPO and ISPO, and also training of its policies for estate workers on 14 March 2022 which was attended by all workers in PHLE.

Based on field observations and interviews with workers (harvesters, field workers, warehouse officers, and mill operators) and contractor workers, it is known that Unit of Certification 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

UoC showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, and related stakeholders. The training of SCCS had been conducted on 30 July 2021 for weighbridge operator, laboratory, and admin. Based on the interview with all workers involved in supply chain operations, such as security (for FFB receiving verification), weighbridge operator, and the PIC related to supply chain, they have been understood the supply chain mechanism, and the IP record has conducted and monitored quite well.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1; 3.8.2

Padang Halaban Mill was used RSPO supply chain of Identity Preserved module because mill only received certified FFB.

3.8.3

Estimates of CPO and PK produced by Padang Halaban Mill obtained from the projection based on actual data of 33 months before audit activities, here's the detail:

	Last Year Projected Certified Volume (MT)	Actual production in last 33 months (MT)	Estimation for the next 12 months
FFB Processed	455,699	799,643	264,653
CPO Production	106,421	184,306	60,870
Palm Kernel (PK) Production	28,885	50,074	14,555

3.8.4

The Mill have been registered in RSPO Palm Trace as Padang Halaban Palm Oil Mill – PT Smart Tbk with License ID CB111374, and Member ID RSPO_PO1000001079

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. Related to CSPK transaction, auditee informs that there's CSPK sold as physical as amount as 26,255 MT and there's CSPO sold as physical as amount as 98,873 MT.

The auditors verify related to transactions on the Palmtrace platform with actual sales of certified products, for example of transaction record in 24 September 2020, where there was a sale of 34.63 ton of CSPK to PT Smart, Tbk (Belawan).and this was in accordance with the transactions made at RSPO Palmtrace.

3.8.5

Padang Halaban Mill had procedure for SCCS with MB or IP model in 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). The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

Auditors conduct interviews with workers who are responsible for the delivery of certified products, namely weighing operators. Operators are able to explain the technical acceptance of certified FFB, sales of CPO/PK and also the reporting mechanism if there is an error in recording information.

3.8.6

The Procedure to conduct annual internal audit are describe in SOP for internal audit No. SOP/SMART/UMUM/SADV/I/009 issued on 1 July 2014 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit is done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements.

Internal audit was held on 11 – 18 April 2022 for all business unit (Estate and Mill) and there is no non-conformity related to supply chain indicators.

The results of the internal audit have also become the basis for discussion in the management review meeting that was held on May 11, 2022.

3.8.7

Padang Halaban Mill only received FFB from certified sources, here's the detail:

Month	FFB (KG)		
	RSPO Certified	Non-Certified	Total
Sep-19	29,968,330	-	29,968,330
Oct-19	30,834,390	-	30,834,390
Nov-19	25,975,440	-	25,975,440
Dec-19	22,504,420	-	22,504,420
Jan-20	22,502,730	-	22,502,730
Feb-20	22,326,550	-	22,326,550
Mar-20	25,358,800	-	25,358,800
Apr-20	26,029,730	-	26,029,730
May-20	21,721,900	-	21,721,900
Jun-20	26,841,230	-	26,841,230
Jul-20	27,990,880	-	27,990,880
Aug-20	30,096,010	-	30,096,010
Sep-20	30,417,350	-	30,417,350
Oct-20	26,297,800	-	26,297,800
Nov-20	22,498,590	-	22,498,590
Dec-20	21,658,720	-	21,658,720
Jan-21	20,755,860	-	20,755,860
Feb-21	19,597,060	-	19,597,060
Mar-21	25,469,010	-	25,469,010
Apr-21	25,810,980	-	25,810,980
May-21	19,526,260	-	19,526,260
Jun-21	26,507,820	-	26,507,820
Jul-21	25,315,810	-	25,315,810
Aug-21	28,044,330	-	28,044,330
Sep-21	27,544,570	-	27,544,570
Oct-21	21,663,440	-	21,663,440
Nov-21	21,356,520	-	21,356,520
Dec-21	20,575,100	-	20,575,100
Jan-22	19,686,780	-	19,686,780

Feb-22	17,779,510	-	17,779,510
Mar-22	23,400,130	-	23,400,130
Apr-22	22,986,340	-	22,986,340
May-22	20,601,430	-	20,601,430
Total	799,643,820	-	799,643,820

The auditor has verified FFB received records for the license period, the total FFB certified received was 799,643 MT.

3.8.8

The company shows documentation of certified products, such as sales contracts, shipping announcements, delivery orders, etc. These documents explain the name and contact person of the buyer and seller, date of delivery, product description, RSPO Certificate ID, quality, quantity, member ID, and others. The transaction also including RSPO certificate number, such as evidence of transaction record in 24 September 2020, where there was a sale of 34.63 ton of CSPK to PT Smart, Tbk (Belawan).

Based on document review and interview with management representative, the company sold CSPK and CSPO physically.

3.8.9, 3.8.10, 3.8.11

The physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK, except the transportation of product and storage tank at bulking are sourced to third party, which bonded by the agreement. The transportation of certified products is carried out directly by the buyer. The company does not have a direct contract or agreement with the product carrier.

3.8.12

Padang Halaban Mill has record of all CSPO and CSPK information, as well as presented in the table bellows:

Crude Palm Oil

Period	CPO Production (MT)		CPO Delivery (MT)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
Stock Opening						1,774.01
Sep-19	6,798.23	-	7,753.12	-	-	819.12
Oct-19	6,944.07	-	6,910.11	-	-	853.08
Nov-19	5,949.43	-	6,164.07	-	-	638.43
Dec-19	5,072.37	-	4,899.82	-	-	810.98
Jan-20	5,075.46	-	5,205.26	-	-	681.18
Feb-20	4,991.01	-	3,776.46	-	-	1,895.74
Mar-20	5,844.45	-	6,483.01	-	-	1,257.18
Apr-20	5,889.61	-	5,822.72	-	-	1,324.07
May-20	4,938.83	-	5,024.99	-	-	1,237.90
Jun-20	5,967.31	-	6,718.01	-	-	487.21
Jul-20	6,179.50	-	5,349.32	-	-	1,317.38
Aug-20	6,853.45	-	7,018.12	-	-	1,152.72
Sep-20	6,928.52	-	7,222.63	-	-	858.61
Oct-20	6,039.01	-	6,061.46	-	-	836.16
Nov-20	5,072.52	-	5,234.02	-	-	674.66
Dec-20	5,020.96	-	4,848.05	-	-	847.57
Jan-21	4,702.16	-	4,738.04	-	-	811.68
Feb-21	4,607.17	-	4,863.10	-	-	555.75
Mar-21	5,794.35	-	5,795.56	-	-	554.54
Apr-21	5,875.93	-	5,699.99	-	-	730.47
May-21	4,413.11	-	4,456.88	-	-	686.70
Jun-21	5,993.48	-	6,031.53	-	-	648.65
Jul-21	5,666.20	-	5,186.08	-	-	1,128.77
Aug-21	6,240.37	-	6,274.46	-	-	1,094.68
Sep-21	6,414.77	-	5,690.08	-	-	1,819.37

Oct-21	5,173.53	-	6,430.30	-	-	562.60
Nov-21	4,881.59	-	4,994.36	-	-	449.83
Dec-21	4,938.95	-	4,739.98	-	-	648.80
Jan-22	4,576.69	-	4,732.27	-	-	493.22
Feb-22	4,194.39	-	4,153.67	-	-	533.94
Mar-22	5,540.49	-	3,693.12	-	-	2,381.31
Apr-22	5,386.06	-	6,532.96	-	-	1,234.41
May-22	4,568.37	-	4,409.43	-	-	1,393.35
Total	182,532.32	-	182,912.98	-	-	

Based on record of verification, there's whole opening stock are certified product and during license period there are CSPO sold as amount as 182,912 MT.

Palm Kernel

Period	PK Production (MT)		PK Delivery (MT)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
Stock Opening						770.00
Sep-19	1,941.81	-	2,254.89	-	-	456.92
Oct-19	1,893.71	-	1,852.46	-	-	498.17
Nov-19	1,503.06	-	1,680.65	-	-	320.58
Dec-19	1,364.39	-	1,335.05	-	-	349.91
Jan-20	1,355.79	-	1,291.25	-	-	414.45
Feb-20	1,378.43	-	1,346.18	-	-	446.70
Mar-20	1,550.88	-	1,477.41	-	-	520.17
Apr-20	1,500.84	-	1,447.63	-	-	573.38
May-20	1,265.73	-	1,323.89	-	-	515.21
Jun-20	1,542.40	-	1,782.14	-	-	275.47
Jul-20	1,653.68	-	1,319.56	-	-	609.59
Aug-20	1,868.84	-	2,024.93	-	-	453.50
Sep-20	1,959.66	-	2,052.72	-	-	360.44
Oct-20	1,624.19	-	1,701.93	-	-	282.70
Nov-20	1,379.09	-	1,362.71	-	-	299.08
Dec-20	1,300.41	-	1,240.54	-	-	358.96
Jan-21	1,226.22	-	1,316.72	-	-	268.46
Feb-21	1,253.10	-	1,181.16	-	-	340.40
Mar-21	1,586.99	-	1,450.02	-	-	477.37
Apr-21	1,562.04	-	1,498.91	-	-	540.50
May-21	1,134.95	-	1,305.90	-	-	369.56
Jun-21	1,483.23	-	1,378.69	-	-	474.10
Jul-21	1,567.83	-	1,390.74	-	-	651.19
Aug-21	1,836.11	-	2,069.21	-	-	418.09
Sep-21	1,757.21	-	1,768.56	-	-	406.74
Oct-21	1,383.98	-	1,504.20	-	-	286.52
Nov-21	1,340.33	-	1,334.87	-	-	291.97
Dec-21	1,275.59	-	1,218.22	-	-	349.35
Jan-22	1,171.28	-	1,287.25	-	-	233.37
Feb-22	1,033.39	-	1,050.00	-	-	216.76
Mar-22	1,503.00	-	1,353.77	-	-	365.99
Apr-22	1,408.64	-	1,526.43	-	-	248.19
May-22	1,198.04	-	1,176.02	-	-	270.21
Total	48,804.82	-	49,304.61	-	-	

Based on record of verification, there's whole opening stock are certified product and during license period there are CSPK sold as amount as 49,304 MT.

3.8.13; 3.8.14 & 3.8.15

The mill has been defined the extraction rate dividing CPO or PK production by the total FFB process. Based on that explanation, extraction rate calculated by industry average. The implementation based on company procedures (MCMD clause II). The sounding process for quantity product calculation done by head of administration (KTU) every morning.

3.8.16

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

- Member Name: Padang Halaban Palm Oil Mill – PT Smart Tbk
- Membership No.: 1-0096-11-000-00 (Golden Agri-Resources Ltd)
- Member ID: RSPO_PO1000001079
- License ID: CB111374

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. Related to CSPK transaction, auditee informs that there's CSPK sold as physical as amount as 26,255 MT and there's CSPO sold as physical as amount as 98,873 MT.

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example, in 9 June 2021, where there was a sale of 29.84 ton of CSPO with details of one recordings of weighing cards on that date to PT Smart, Tbk (Belawan), and this was in accordance with the transactions made at RSPO Palmtrace. Where, the shipping announcement was made on 22 June, 2021 and confirmed by the recipient on 23 June, 2021.

3.8.17

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

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1

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

4.1.1

Unit of Certification has already Sinarmas Agri Business and Food Human Rights and Business Policy which was passed on 12 December 2019 by Head of Policy Compliance Division. In this document, Golden Agri Resource (GAR) commitment to respect human rights (HAM) in all lines of operations is manifested in GAR's Social and Environmental Policy. In implementing human rights policies and running a responsible business GAR is committed to:

- Respect workers' rights and dignity in accordance with legal provisions, treat them fairly without discrimination and build harmonious industrial relations
- Respect workers' rights in terms of freedom of opinion, collective bargaining, and forming and joining trade unions / labor unions
- Prevent forced labor practices and do not use workers resulting from human trafficking
- Ensure that child labor is not employed in all lines of operation
- Ensuring the safety of the work environment and company operations
- Recognizing the equal rights and participation of women around the operating unit
- Creating a working area that is safe and healthy and provides environmental protection
- Respect the rights of local and customary communities in which the company operates
- Respect and protect the rights of whistle-blowers and human rights defenders
- Comply with legal provisions regarding the prevention of bribery and corruption
- Take steps to recover and resolve negative impacts if there are human rights violations through a transparent and legal process

This policy is routinely communicated to all levels of the workforce, operations, supply chain and local communities. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of Human Rights Policy which was attended by

all workers in PHLE on 14 March 2022, 19 participants of representatives of surrounding community on 7-21 July 2021, and 7 participants of contractor on 24 January 2022.

Based on complaint record review and interview with gender committee, labor unions and Manpower Agency of Labuhanbatu Utara Regency, it could be concluded that relationship between Unit of Certification, its employee and external stakeholder was considered in conducive situation. There was no violation case of human rights contributed by PT Tapan Nadenggan. Furthermore, issues and report data from NGO was not available.

4.1.2

Based on the interviews with surrounding communities and workers, it showed that up until this assessment, if there was no any conflicts or disputes with Unit of Certification. 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 past year there have never been any conflicts/problems in operational 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

Unit of Certification has mechanisms and complaint handling system is described in SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. The protection for whistle-blowers is contained in document point 2.2.1. This procedure also describes information related to submission and record of complaints and grievances, rating of complaints and grievances, formulation and approval of complaints and grievances, management plan handling complaints and conflict, and document storage. GAR Social & Environmental Policy (GSEP) been socialized to internal and external stakeholders. Unit of Certification also showed record of socialization for internal and external stakeholders. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of GSEP and Complaint Procedure which was attended by all workers in PHLE on 14 March 2022, 19 participants of representatives of surrounding community on 7-21 July 2021, and 7 participants of contractor on 24 January 2022.

Based on result of interviews with workers in PHLM, PHLE, PRNE, KULE and ADPE, surrounding communities, and contractors, it revealed that they had good understanding of communication procedures and personnel who served as communicators between Unit of Certification and community so that illiterate people can be informed by related communicators. In addition, during past year, there were no complaints or disputes that occurred between company and surrounding communities.

4.2.2

Unit of Certification has a complaint handling mechanism and system described in Complaints Handling Procedure SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure explains that complaints which was collected by SPO Assistant/Grievance Handling can be submitted either directly via complaint and conflict letter or indirectly via suggestion box, telephone or text message, public media, certification body, NGO, or Head Office. Any complaint or conflict submitted is anonymity guaranteed by company. Handling of complaints and conflicts that have been verified by unit is carried out as soon as possible or according to time agreed with reporting party. If verification towards complaint and conflict has been more than 14 days since reporting party submitted its complaint/conflict, Estate Manager/Mill manager is allowed to give early announcement letter as complaint/conflict response.

To ensure the procedure understood by affected stakeholders, company has conducted annual socialization of the procedure of communication and complaint handling to relevant stakeholders (village officials, community leaders, contractors and others). However, illiterate people can submit their complaints through SPO Assistant or another representative from the stakeholder and also recorded in the grievance logbook. Based on interviews with government agencies, surrounding communities, and workers, it is known that they have understood the person responsible and the grievance mechanism in which complainant's identity is protected.

4.2.3

Unit of Certification has shown grievance logbook of internal and external stakeholder. Based on document review of grievance logbook in 2021-2022, it is known that there is no grievance to Unit of Certification from internal and external stakeholder in PHLM, PHLE, PRNE, KULE and ADPE in 2022. Based on interview with workers, it also showed that company has responded if there is any complaint directly after complaints submitted. Besides, based on the interviews with government agencies, surrounding communities, gender committees, and labor unions, it's known that there were no further complaints towards Unit of Certification in 2022.

There is grievance in 2018 about the termination of employment by PT SMART Tbk – Adipati Estate Unit without severance payment, submitted by community from Belongkut Village I/II/III & terminated worker. RSPO complaint panel has stated the status of grievance has been closed on 1 October 2020. Detail information can be seen in public issues page 108.

4.2.4

Unit of Certification has a complaint handling mechanism and system described in Complaints Handling Procedure SOP No. SOP/SMART/SUST/IV/003 Revision 3.0 dated 8 March 2022. This procedure explains that complaints which was collected by SPO Assistant/Grievance Handling can be submitted either directly via complaint and conflict letter or indirectly via suggestion box, telephone or text message, public media, certification body, NGO, or Head Office. Any complaint or conflict submitted is anonymity guaranteed by company. Handling of complaints and conflicts that have been verified by unit is carried out as soon as possible or according to time agreed with reporting party. If verification towards complaint and conflict has been more than 14 days since reporting party submitted its complaint/conflict, Estate Manager/Mill manager is allowed to give early announcement letter as complaint/conflict response. Other than that, the mechanisms of complaints and grievances of workers described in Chapter XXII of CLA Article 3. In the event of employee complaints of employment, worker may submit the matter to the Labor Union to discuss with the company; if it cannot be resolved, settlement efforts are channeled through the procedure of Law No. 2 in 2004 regarding to industrial relation dispute settlement.

To ensure that the procedure can be understood by employees and surrounding community who cannot read and write, Unit of Certification has conducted socialization directly to employee and surrounding community. For example, Unit of Certification has shown evidence of socialization based on Minutes of Socialization of GSEP and Complaint Procedure which was attended by all workers in PHLE on 14 March 2022, 19 participants of representatives of surrounding community on 7-21 July 2021, and 7 participants of contractor on 24 January 2022.

Status: Comply

4.3

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

Contributions to community development based on the results of consultations with local communities can be demonstrated by meetings between community representatives and the company in 2021 as the basis for CSR plans for 2022. Many program activities have been realized by the company in the 2021/2022 period, for example:

- Assistance for repairing dyke at Kilang Senin Village.
- Routine POSYANDU activities.
- Assistance for road maintenance in Sialang Taji Village.

One of the development contributions to the community is carried out by local purchases to shops around the company, cooperation with local contractors in plantation and factory management activities and the implementation of CSR activities which are arranged annually in the context of the welfare of the surrounding village communities.

Status: Comply

4.4

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

4.4.1

The company has land rights in the form of HGU in accordance with Government Regulation no. 40 of 1996 with a total area of 17,178.84 Ha. The land rights consist of:

Padang Halaban Estate

- HGU No.1 covering an area of 5,509.39 ha in Padang Halaban Village, Aek Natas District, Labuhanbatu Regency with an end date of 22 April 2024 for PT Smart, Tbk based on HGU Decree No. 95/HGU/BPN/1997.
- HGU No.43 covering an area of 372 ha in Panigoran Village, Aek Kuo District, North Labuhanbatu Regency with an end date of 31 December 2037 for PT Smart, Tbk based on HGU Decree No.31-VIII-1994.
- HGU No.2 covering an area of 1,583.53 ha in Panigoran Village, Aek Natas District, Labuhanbatu Regency with an end date of 22 April 2024 for PT Panigoran based on the Decree of the Minister of ATR No.99/HGU/BPN/1997. Equipped with proof of the rental agreement (No. 001/SPK/PPP-SMART/I/2021-SEWA TANAH) which was stipulated on January 4, 2021 between PT PP Panigoran and PT Smart, Tbk. In the agreement, PT PP Panigoran promised and bound itself to lease the land to the company in good condition. The agreement is valid for a period of 5 years ending on December 31, 2025.

Pernantian Estate

- HGU No.1 covering an area of 1,462.07 ha in Pernantian Village, Marbau District, Labuhanbatu Regency with an end date of 22 April 2030 for PT Smart, tbk based on the Decree of the Head of BPN No. 97/HGU/BPN/1997.
- HGU No.1 covering an area of 916 ha in Silumajang Village, NA IX-X District, Labuhanbatu Regency with an end date of December 31, 2031 for PT Smart, tbk based on the Decree of the Minister of Home Affairs No. 14/HGU/DA-/1976.

Adipati Estate

- HGU No.1 covering an area of 896 ha in Aek Hite Toras Village, Gaya Baru Marbau District, Labuhanbatu Regency with an end date of 31 December 2080 for PT Smart, tbk based on the Decree of the Head of BPN No. SK.8/HGU/BPN/1991.
- HGU No.5 covering an area of 1,594 ha in Negeri Lama Seberang Village, Bilah Hilir District, Labuhanbatu Regency with an end date of 31 December 2080 for PT Smart, Tbk based on the Decree of the Head of BPN No. 109/HGU/BPN/2004.

Kanopan Ulu Estate

- HGU No.1 covering an area of 1,408.21 ha in Kanopan Hulu Village, Kualah Hulu District, Labuhanbatu Regency with an end date of 22 April 2024 for PT MP Leidong West Indonesia based on the Decree of the Head of BPN No.118/HGU/BPN/1997.
- HGU No.1 covering an area of 2,980.14 ha in Tanjung Pasir Village, Kualah Hulu District, Labuhanbatu Regency with an end date of 31 December 2030 for PT MP Leidong West Indonesia based on the Decree of the Head of BPN No.45/HGU/BPN/95.
- HGU No.1 covering an area of 354.10 ha in Damuli Village, Kualah Hulu District, Labuhanbatu Regency with an end date of April 1, 2023 for PT MP Leidong West Indonesia based on the Decree of the Head of BPN No. 122/HGU/BPN/1997.
- HGU No.18 covering an area of 103.4 ha in Damuli Pekan Village, Kualuh Selatan District, Labuhanbatu Regency with an end date of 22 July 2043 for PT MP Leidong West Indonesia based on the Decree of the Regional Head of the National Land Agency of North Sumatra Province No.01-540.2.22-2007.

The company already has a plantation business license, here's the detail:

- Plantation Business Registration Letter by the Directorate General of Plantation Production Development, Ministry of Agriculture (No.: HK.350/253/Dj.Bun.5/III/2001, dated March 30, 2001) with an area of 10,749.46 ha and a product processing unit with permit capacity of 60 tons FFB/hour.
- Plantation Business Registration Letter by the Ministry of Forestry and Plantations of the Republic of Indonesia (No. 761/Menhutbun-VII/2000, dated June 29, 2000) with an area of 1,583.53 ha.
- Plantation Business Registration Certificate by the Director General of Plantations, Ministry of Forestry and Plantations (No. 762/Menhutbun-VII/2000, dated June 29, 2000) with an area of 1,408.21 ha.
- Plantation Business Permit by the Head of Plantation Office of North Sumatra Province (No. 503/683/F, April 17, 2002) with an area of 103.4 ha.
- Cultivation Plantation Business Permit (IUP-B) for Palm Oil Plantation PT MP Leidong West Indonesia Kanopan Ulu Plantation – Tanjung Pasir Estate by Decree of the Regent of North Labuhanbatu (No. 503/629/TAPEM/2013, April 22, 2013) with an area of 2,980.14 ha.
- Cultivation Plantation Business Permit (IUP-B) for Palm Oil Plantation PT MP Leidong West Indonesia Kanopan Ulu Plantation – Siranggong Estate by Decree of the Regent of North Labuhanbatu (No. 503/630/TAPEM/2013, April 22, 2013) with an area of 354.10 ha.

The average actual processing capacity for the past one-year period is still below the stipulated permit, which is below 60 tons/hour (Average 56 ton/hour).

Based on the above evidence, the company's total operations area is 17,178.84 ha.

4.4.2

Based on latest assessment, no additions are made to the company's operations. Land clearing has been carried out previously before 2000. Land compensation documents along with the negotiations have been well documented in the D&L section stored in the Sumatra Utara Regional Office and the copies can be showed to auditors. the documents stored are, documents related to the process of land compensation, proof of payment, documentation of activities, to a participatory map between the seller and the company.

4.4.3

The CH has had SOP related land identification and compensation (No. SOP/NP/SMART/VII/D&L002, dated 01 July 2010) which set land identification, calculation and compensation for land acquisition mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

Based on document review, known that previous land acquisition did not diminish community's legal rights. Based on land acquisition documents, known that the documents made in Indonesia language, has include the maps, price agreement, evidence of payment, and signed by both party as well as Village Officials. The latest land compensation has been conducted before 2000. Based on management interviews, it is known that the CH has no plans to expand the land by legal compensation for community. The company can also demonstrate that the operational area is in accordance with the land rights owned, where the certificate of land rights in the form of HGU is also equipped with a map with a scale of 1:50,000 which has been approved by the relevant agency.

4.4.4; 4.4.5; 4.4.6

Based on latest assessment, there was no increase in the company's operational area. The last land compensation process was carried out before 2000. During the release of land, in general, the owner of the land acts as a representative for himself. Regular reviews of the FPIC process are embodied in the SIA document which functions to highlight the social issues of the affected people including land issues. All records were made in Indonesian, clear proof of payment and signed by both parties between the company and the land seller (local community) without coercion. Based on an explanation from the Padang Maninjau village representative, the previous land owners have been around for a long time (before 2000) many have died, but there are no conflicts or issues of land disputes between the company and the village community.

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; 4.5.6; 4.5.7; 4.5.8

Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional *GRTT* records before 2000. The certification unit can show land compensation documents which include informing about news, measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The documents for the compensation process have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses. Existing and well-documented agreements are one that the FPIC process has implemented.

Based on the results of interviews with representatives of surrounding Villages, there are no issues of dispute or other land issues with the company.

Status: Comply

4.6

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

4.6.1 & 4.6.2

The certification unit shows the Technical Guidelines for Land Preparation: Land / Land Compensation Document Number: SOP / NP / SMART / VII / D & L002 dated 1 July 2010. Procedures include explaining the land identification process, outreach to the community, physical inventory, to the compensation process.

Completeness of compensation payment documents: receipts, documentation, identification cards (*KTP*), minutes of land over and compensation, certificates of land ownership, statement letters, detailed maps of land and attendance lists of land measurements.

4.6.3

Until the latest assessments were carried out there were no new *GRTTs*. The last land acquisition was carried out before 2000. There is FPIC Procedure No. SOP / SMART / SENS-CSRD / SADV / I / 003, part 2.4 explains that identification of participatory maps related to legal ownership of the community takes into account gender, community leaders, local or transmigrant communities, ethnic groups, etc.

4.6.4

Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of additional *GRTT* records out before 2000. The certification unit can show land compensation documents which include informing about news, measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The compensation process documents have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses.

Based on the results of interviews with representatives of surrounding Villages, there are no issues of dispute or other land issues with the company.

Status: Comply

4.7

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

4.7.1 & 4.7.2

The land compensation process was completed by the company in 1990. There is FPIC Procedure No. SOP / SMART / SENS-CSR / SADV / I / 003, part 2.4 explains that identification of participatory maps related to legal ownership of the community considers gender, community leaders, local or transmigrant communities, ethnic groups, etc.

4.7.3

As the results of public consultations with community representatives from surrounding Villages, one of the positive impacts of opening a company is the opening of road access. They stated that prior to the existence of the company, the community's access to interact with other areas was only through rivers. After the company exists, the community can access the company's roads for daily activities.

Representative of surrounding villages also stated that the company's existence also provided access to recruitment and use of local contractors. Until the time of the audit, the company has not carried out any new land clearing activities or extension. Currently, the company is only carrying out replanting activities on existing operational areas.

Based on the results of interviews with representatives of surrounding villages, there are no issues of dispute or other land issues with the company.

Status: Comply

4.8

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

4.8.1; 4.8.2; 4.8.3; 4.8.4

The certification unit has SOP for Social Conflict Handling Document No SOP / SMART / SENS-CSR / SADV / I / 002, dated 1 July 2014. The procedures include explaining the conflict information, conflict analysis, coordination of conflict handling, and preparation of reports on handling progress carried out periodically at least every one month.

Based on field observation, document review and public consultation with relevant stakeholder (National Land Agency and Padang Maninjau Village), there's no issue related to land conflict.

Regarding the area of 1,526.78 ha in the Kanopan Ulu Estate, the company explained that the area in the HGU certificate had never been compensated by the company. The community and the company respect each other's boundaries and there are no negative indications in the field. Related to this, it has been confirmed with the relevant BPN office, where indeed the company has not carried out any compensation activities or land purchases in the area. In addition, based on interviews with representatives of workers from Sialang Taji Village (the village where the location is located), where there are no conflicts in areas that are not compensated by the company and are still controlled by the community.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1
The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.
5.1.1 & 5.1.2

Padang Halaban Mill during certified period does not accept FFB from scheme smallholder.

5.1.3

Based on the company's policy, the determination of the price of FFB purchased refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders. But right now, company does not receive or buy FFB from uncertified sources, including from smallholder.

5.1.4 & 5.1.8

The company has no obligation to build community estate (scheme smallholder). The company has a cooperation program with farmer groups, for example with the Beringin Jaya Farmers Group in Kuala Beringin Village. The program carried out by the company is to develop a coaching program that aims to increase the production of oil palm plantations for assisted farmers based on survey results, for example providing training and technical guidance on best oil palm cultivation practices starting from land preparation, plant maintenance, to harvesting.

The recording of the agreement was jointly signed on November 12, 2021 and known by the Regent of Labuhanbatu Utara. The recording of the agreement is valid for 5 years from the date of signing and can be extended according to the agreement of both parties. One form of realization support that has been carried out by the company is assisting the legality of farmers' land with the issuance of the Decree of the Labuhanbatu Utara Regent (No.: 521.4/843/Diperta/2021, dated November 23, 2021) concerning the Determination of Candidates for Recipients and Prospective Lands for Activities for the Development of Community Estate Facilities Around by PT MP Leidong West Indonesia Kanopan Ulu Estate in 2021. In the decision, 55 farmers with a total area of 107.3 ha are determined.

Currently, the entire plan covering an area of 107.3 ha has been planted entirely with oil palm. The company also shows a recording of the socialization of technical guidance to the farmers concerned on March 26, 2021. The technical guidance is related to the socialization of plant maintenance including the use of pesticides.

5.1.5

Based on contract agreement verification (Work Agreement No. 0002/PHLM/LKL/II/2022, dated 25 February 2022) between company and CV Krisda Jaya, known that the agreement is conducted fairly, transparently and based on both party agreement. Has been observed, the payment process has been carried out transparently and there has never been a grievance related to the payment. An example of payment verified by the auditor is invoice and proof of payment for period for May 2022 where the calculation of payment is in accordance with agreement. Furthermore, into the local contractor the company can demonstrate that the payment is in accordance with the agreed agreement.

5.1.6

Company does not receive or buy FFB from uncertified sources.

5.1.7

The results of document verifications known that certification unit has 1 (one) weighing equipment and routinely calibrated by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in 10 November 2021 and valid until 10 November 2022 by Legal Industrial and Commerce Department Labuhanbatu Regency (No. 510.3/218/DagInd-Met/KHP/11/2021). The company performs calibrations aimed at improving the integrity of FFB weighing from third parties and also minimizing scale fraud.

5.1.9

The unit of certification shows the SOP for Handling Complaints and Dissatisfaction with No. SOP / SMART / GIMS-SCMD / USDV / I / 001 issued date 1 July 2014 with the last revision 11 April 2017. In the SOP, it is explained that the Social Officer / KTU receives letters of complaint and dissatisfaction directly from the reporter or indirectly through the suggestion box. Information and data entered are recorded in the Complaint and Dissatisfaction Registration Form. Protection of whistle blowers is contained in the document, point 2.2.1 part a, which states that the Company guarantees the anonymity of whistle-blowers and whistle-blowers with the aim of reducing the risk of revenge.

Based on document review of complaint book, there is no complaint from contractor or vendors.

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 & 5.2.5

The company has no obligation to build community estate (scheme smallholder). The company has a cooperation program with farmer groups, for example with the Beringin Jaya Farmers Group in Kuala Beringin Village. The program carried out by the company is to develop a coaching program that aims to increase the production of oil palm plantations for assisted farmers based on survey results, for example providing training and technical guidance on best oil palm cultivation practices starting from land preparation, plant maintenance, to harvesting.

The recording of the agreement was jointly signed on November 12, 2021 and known by the Regent of Labuhanbatu Utara. The recording of the agreement is valid for 5 years from the date of signing and can be extended according to the agreement of both parties. One form of realization support that has been carried out by the company is assisting the legality of farmers' land with the issuance of the Decree of the Labuhanbatu Utara Regent (No.: 521.4/843/Diperta/2021, dated November 23, 2021) concerning the Determination of Candidates for Recipients and Prospective Lands for Activities for the Development of Community Estate Facilities Around by PT MP Leidong West Indonesia Kanopan Ulu Estate in 2021. In the decision, 55 farmers with a total area of 107.3 ha are determined.

Currently, the entire plan covering an area of 107.3 ha has been planted entirely with oil palm. The company also shows a recording of the socialization of technical guidance to the farmers concerned on March 26, 2021. The technical guidance is related to the socialization of plant maintenance including the use of pesticides.

The company also has the same partnership program for the area of Padang Halaban Estate (PT Smart, tbk) with the Sahata Saoloan Farmers Group Association and the Cooperative Berkat Usaha in Silumajang Village, NA District IX-X. The program is based on a memorandum of understanding that has been set on June 17, 2022 and is known by the Silumajang Village Head and NA IX-X Camat. However, currently it is still in the process of filing with the relevant agencies, where the company has sent a letter of application accompanied by supporting documents for the decision letter to determine the prospective land and prospective farmers.

5.2.4

The company also carries out maintenance activities using pesticides in the form of herbicides as a form of support for the management of plasma farmers in these locations, this can be seen from the review of documents recording activities for spraying systemic herbicides in the period March 2021. Not juts pesticide, the company also done socialization related to best agronomy practice for smallholder on 26 March 2021 (same as indicator 5.2.1 statement).

5.2.2 & 5.2.3

The company also has the same partnership program for the area of Padang Halaban Estate (PT Smart, tbk) with the Sahata Saoloan Farmers Group Association and the Cooperative Berkat Usaha in Silumajang Village, NA District IX-X. In determining farmers, there are also female farmers in the list, this proves that the company supports gender equality in decision making.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

Unit of Certification has a policy of non-discrimination and equal opportunities. Policies on equal opportunities and treatment to get the job described in Circular Letter No.096/CEO2-SE/12/2010 on 14 December 2010 towards the implementation in industrial relation. There is explanation related to realize harmonious industrial relations, dynamic and fair company implemented industrial relations of each operational unit without distinction of race, religion, race and gender in all types of field work. Besides, there is Circular Letter No. 268/CEO2/HR PSM 2/10/2015, 1 October 2015 is revision of Circular letter No. 096/CEO2-SE/12/2010, stated that *"in order to realize harmonious industrial relations, dynamic and fair company implemented industrial relations of each operational unit without distinction of race, religion, race, physical condition, gender, sexual orientation, membership of union, political affiliation and age in all types of field work"*. This policy is publicly available, and stakeholder can access it upon request.

Based on worker's recruitment document, Unit of Certification 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 result of public consultations with agencies, worker unions, and gender committees stated that there were no cases of discrimination in obtaining employment opportunities. Based on interviews with the gender committee, women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work. This is in line with the results of the field visit, as for example, there were loose fruit pick workers who were female and are given equal rights and wages.

6.1.2

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

Based on result of interviews with manpower agency, gender committee, labor unions, and workers PHLM, PHLE, PRNE, KULE and ADPE, it is known that workers have never felt that Unit of Certification 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 communication between supervisors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by supervisors. Unit of Certification also didn't request for any payment during the recruitment process.

6.1.3.

During recruitment process, Unit of Certification had set the standard of competence that required based on offered position. Selection had included 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 Unit of Certification regulation including rights of worker as well. Records on manpower procedure had been documented, as verified randomly to 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), result of written test, result of interview test, and work agreement letter. For example, a worker on behalf of SHR (initial) who started working on 1 August 2021-31 July 2022.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of RKR (initial) in PHLE who had a promotion based on worker's appraisal, from grade PT4A to PT3 in 2021.
- Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of BMS (initial) in PHLE who had a promotion based on worker's appraisal, from contract worker to PT4A in 2021.

Job opportunities were communicated and given to surrounding villagers at priority where no discrimination found observed during interview and related records of workers being employed. All workers are treated equally in accordance with company regulation including rights of worker as well.

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. All pregnant workers placed in non-agrochemical works such as day care keeper, manual upkeep, and loose fruit picker.

Unit of Certification also showed list of pregnant woman and breastfeeding mothers that showed all women placed in non-agrochemical works (manual upkeep, loose fruit picker and office staff).

6.1.5

Gender committees have been formed and are still active today in Unit of Certification which is chaired by committee chairperson along with coordinators in several sections and there are representatives in each unit. Structure of gender committee consists of male and

female workers. Main objective of forming gender committee is to provide a forum that can accommodate aspirations/complaints of workers, as Unit of Certification partners in carrying out activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender.

Unit of Certification informed that they also held socialization about gender committee. For example, company has shown evidence of socialization of gender committee which was held in PHLM on 8 February 2022 and attended by 23 participants.

Gender Committee's Program in 2021 which has been implemented including socialization of women' right, counselling, child care inspection, and pregnant women workers monitoring. Besides, Gender Committee has also established program in 2022 which is still in accordance with program in 2022 including socialization of women' right, counselling, child care inspection, and pregnant women workers monitoring.

Based on the interviews with workers in PHLM, PHLE, PRNE, KULE and ADPE, they also knew of the existence of the gender committee because it had been routinely socialized by management. Besides, workers have known that they can report any complain through Gender Committee in each unit.

6.1.6

Unit of Certification does not discriminate against workers' rights; it is shown by paying equal employee wages and the same scope of work. Unit of Certification issues decree on payment of wages for mill and estate employees, where the payment of employee wages is based on structure and scale of wages that have been determined by Unit of Certification. For example, Unit of Certification has shown its implementation towards structure and scale wage which shown that wage payment of same work scope of estate worker of ADPE in May 2022 o.b. PRY (initial of female worker) with basic salary of IDR 3,133,000 and UDN (initial of male worker) with basic salary IDR 3,133,000.

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

Unit of Certification had procedures related to regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others which are generally described in Collective Labour Agreement (CLA) for period of 2018-2020 and was written in Bahasa. This CLA had been registered to *Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja Kementerian Ketenagakerjaan RI* (Indonesia Republic Minisitry of Labour) with Decree No. Kep. B319/PHIJSK/X/2018 dated 28 October 2018. Unit of Certification has shown progress of updating this CLA in Letter No. 35/BKS-PPS/2022 on 21 March 2022 from BKS PPS to PT Sinar Mas Group which stated that CLA 2022-2024 preparation between BKS PPS's members has been finished and registration of CLA to Ministry of Manpower has been in progress. CAL of 2018-2020 explained working conditions and rights/obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions.

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 Unit of Certification. Workers' wages in 2022 have been above the minimum wage set by local 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 workers have understood the work requirements that have been socialized by the certification unit in an understandable language (Bahasa).

6.2.2

There are 2 types of worker status were SKU (permanent worker) and PKWT (contract worker). Pay and condition for all employees were available in working agreement and Collective Labor Agreement (CLA) 2018-2020. SKU and PKWT will receive payment slip in the end of month to acknowledge their income. Beside basic salary, SKU workers get monthly non-fixed aid called "Family Aid" as stated in CLA 2018-2020 Article 5 with details below:

- Workers alone: money or 15 kg of rice
- One legal wife: money or 9 kg of rice
- Children (until 3): money or 7.5 kg of rice

SKU workers conditions based on CLA 2018-2020 that covered working hours, deductions, overtime, sickness, holiday, maternity leave, reasons for dismissal, period of notice etc. Meanwhile, for PKWT workers the conditions stated in their contract. PKWT rights are contained on each agreement. All PKWT rights is same with permanent worker rights, such as: annual leave, rice allowance, social security insurance. Payroll documents give accurate information on compensation for all work performed e.g., wage, net wage, overtime, absence deduction, etc. This regulation in Unit of Certification has been socialized to workers in mill and estate workers in March 2022.

Unit of certification has shown establishment of minimum wage in each unit. For example, company has established minimum wage in 2022 in each unit including PHLM, PHLE, PRNE, KULE and ADPE as shown below:

- Decree of North Sumatera Governor No. 188.44/780/KTPS/2021 dated 30 November 2021. Minimum wage set in Labuhanbatu Selatan Regency in 2022 is Rp. 2,872,440.81/month.
- Decree No. 015/CEO PSM 1/HR PSM 1/01/2022 dated 1 January 2022 regarding Structure and Wage Scale of SKU (permanent worker) in PT Smart Tbk (Padang Halaban Mill, Padang Halaban Estate Pernantian Estate, and Adi Pati Estate) in 2022.
- Decree No. 013/CEO PSM 1/HR PSM 1/01/2022 dated 1 January 2022 regarding Structure and Wage Scale of SKU (permanent worker) in PT MP Leidong West Indonesia (Kanopan Ulu Estate) in 2022.

Agreement/contract of employment for workers has been included in the CLA of 2018-2020 which has been endorsed in Letter No. Kep. B319/PHIJSK/X/2018 dated 28 October 2018 by Ministry of Manpower. In the agreement regulates the: working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.). PKB only covered SKU workers. Meanwhile, for PKWT workers based on their respective contract. Contract was signed by both parties.

There are sample of PKWT agreement number 001/PHLE/PKWT/09/2021 on 17 September 2021 in PHLE and agreement number 23/PRNE/PKWT/08/2021 on 1 August 2021 in PRNE. Work agreement (contract) between contract workers and company describes about scope of agreement, rights and obligations, work days and times, leave, salary, allowance, welfare facilities, sanctions, layoffs, settlement of disputes and others. Contract is written in Indonesian language and workers are understood substance of contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage. All work agreements have been registered with the labor department.

Unit of Certification showed overtime payment in April-May 2022 that has been in accordance with applicable laws for workers on behalf of ADS (initial) as boiler operator. In the pay slip document, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation. Result of review of pay slip document for April-May 2022 above, proved that wages received are above minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022.

Unit of Certification had shown their consistency in this recertification 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.

6.2.3

Unit of Certification had procedures related to regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others which are generally described in Collective Labour Agreement (CLA) for period of 2018-2020 and was written in Bahasa. This CLA had been registered to *Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja Kementerian Ketenagakerjaan RI* (Indonesia Republic Ministry of Labour) with Decree No. Kep. B319/PHIJSK/X/2018 dated 28 October 2018. Unit of Certification has shown progress of updating this CLA in Letter No. 35/BKS-PPS/2022 on 21 March 2022 from BKS PPS to PT Sinar Mas Group which stated that CLA 2022-2024 preparation between BKS PPS's members has been finished and registration of CLA to Ministry of

Manpower has been in progress. CAL of 2018-2020 explained working conditions and rights/obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions.

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Unit of Certification has also shown paid leave letter which was shown below:

- Maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after). For example, paid leave letter on behalf of FTR (initial) in PRNE approved by the supervisor on 1 April 2022 (No. 05/SKH/MC-PHLE/IV/2022).
- Menstrual leave was given 2 days of paid leave. For example, paid leave letter on behalf of DWS (initial) on 13 November 2021 and was approved by the supervisor on 13 November 2021.
- Regular employee paid leave on behalf of SPR (initial) in PHLM on 24 June 2022 for 2 days and was approved by Mill Manager on 24 June 2022.

Unit of Certification had shown their consistency in this recertification 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.

6.2.4

Unit of Certification has provided housing facilities on each estate and mill. For example, list of facilities in 2022 including houses, mosque, church, workers hall, football field, volley ball field, badminton field and school bus. Based on field observation to housing complex of PHLM, PHLE, ADPE, and PRNE, it was known that all housing on good condition and livable, there were domestic waste sanitation, and adequate clean water facilities. Therefore, based on interview with workers revealed that if any housing facilities were damaged, they had to report to the supervisor.

6.2.5

There is traditional market are near from housing complex of Unit of Certification which can be accessed by workers within thirty minutes. Moreover, there is temporary market comes from surrounding communities at the time of wage payment. In addition, traders who are allowed to sell in a residential area make it easier for workers to access food sources. This matter has been verified through consultation with Head of Employee Cooperative, Labor Union, as well as housing residents.

Based on interviews with estate and mill workers, 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

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

Unit of Certification 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 cost, water cost, transportation cost, educational cost, and health cost. Standard of wage eligibility referred to by the unit of certification is minimum wage. A detailed explanation of minimum wage is provided in indicator 6.2.1. The components included in the calculation of a living wage include the following:

- Contract and PT4A workers
Minimum Wage: IDR 3,275,000
Eid allowance: IDR 272,958
School: IDR 29,692
Health outside BPJS Kes: IDR 40,914
Day-care: IDR 20,218
- Workers with group > 4A

For example: PT4B group
Wage: IDR 3,007,235
Eid allowance: IDR 272,958
Rice: IDR 153,535
Electricity: IDR 35,000
House: IDR 199,197
Water: IDR 24,533
School: IDR 29,692
Health outside BPJS Kes: IDR 40,914
Day-care: IDR 20,218

6.2.7

Based on list of workers document verification sighted that on April-May 2022, there are still non-permanent workers in estate. The non-permanent workers in estate are categorized as field workers with type of job description are loose fruit picking. The number of non-permanent workers on each unit are in PHLE: 17 workers and PRNE: 30 workers. Based on document verification, Unit of Certification has shown that contract worker agreement which shown that concerning wages and incentives which explains that the lowest wage of worker couldn't be lower than minimum wage set by the government every year. All of non-permanent worker agreement been registered to Manpower Agency of Labuhanbatu Utara Regency. For example, Unit of Certification has shown evidence of contract worker (PKWT) records to Manpower Agency based on document of Contract Worker Record as many as 17 workers (loose fruit pick worker) on 20 October 2021 in PHLE and 30 workers (loose fruit pick worker) on 1 August 2021 in PRNE to Manpower Agency of Labuhanbatu Utara Regency.

Status: Comply

6.3

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

6.3.1

Unit of Certification has a written policy "the freedom of association" in CLA Article 2 "recognition of rights of company and labor union" Unit of Certification also issued a policy through circulars letter (SE) No. 094/CEO2-SE/12/2010 on 14 December 2010 which concerning freedom of association in organization of workers/labourers. Referring to Law (UU) No. 21/2000 about union/labour union, company respects to rules and regulations which applicable in the law, including matters of the freedom of association in organization of workers/labourers who are basic rights of workers as stipulated in the law. There was 7 Labour Union at PHLM, PHLE, PRNE, KULE and ADPE and have been registered to Manpower Agency. All workers given freedom to choose their union. Based on result of document review, it's known that Unit of Certification also documented the number of labor union operating in company operations area and its members' number as per May 2022. For example, there are 306 members of labor union of SPSI in ADPE.

Implementation of the policy is the existence of labour unions. The election of administrators was also carried out democratically without any intervention from the company. Result of interviews with workers showed that union has been running in accordance with its purpose of conveying the aspirations of workers to the company.

6.3.2

Unit of Certification has well-documented the records of meetings between labor unions and management representatives as well as with internal union meetings. For example, record of meetings conducted by labour unions in 2022 has been shown based on document of Labor Union of PHLE internal meeting on 6 June 2022 to discuss about employment aspect which was attended by 10 participants.

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 Chairman of the Labour 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). Company also involved the labor union in drafted Collective Labour Agreement (CLA).

Establishment of labor 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 was 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

Unit of Certification has policy on child and female workers as stated in Management Policy No. 002/SEHRDV/03/09 on 31 March 2009 and memorandum No 01/VPA1/I/2009 on 13 January 2009, regarding Prohibition for Child Worker (*Larangan Mempekerjakan Anak di Bawah Umur*). Document verification results reveal that there are no workers under the age of 18. The process of hiring employees this is evidenced by the Identity Cards at the time of employee recruitment. In addition to having a policy governing minimum age of workers for workers, Unit of Certification also includes a clause on child protection and a prohibition on employing workers under the age of 18 in any agreement with contractor. Based on document verification and interview with local contractor, it has been included into service contracts and supplier agreements.

6.4.2

Unit of Certification has employee's recruitment policy on Golden Agri Resources Social and Environmental Policy dated 8 September 2015. It states that company will not employ children that fall within definition of provisions of ILO conventions, even though there are laws or regulations that will allow state and local states and against all form of child exploitation. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical check-up. Unit of Certification has a policy on child labor, signed by CEO and in CLA also stated that the minimum age for workers is 18 years old.

This policy has been communicated to all workers, suppliers and contractors respectively. Records of personal data of employees - age, marital status, position and rank, location of work, date of commencing employment - are kept. Checking records of last recruitment and interviews with employees confirmed that no one under 18 years old has been employed. During field observation at estates and mill also showed that there were not founds any workers under working age.

6.4.3

Based on field observation and verification of each estate and mill employee list documents for the period of April-May 2022 did not find any workers who were less than 18 years old at the time of hiring.

6.4.4

Unit of Certification has employee's recruitment policy on Golden Agri Resources Social and Environmental Policy dated 8 September 2015. It states that company will not employ children that fall within definition of provisions of ILO conventions, even though there are laws or regulations that will allow state and local states and against all form of child exploitation. This policy has also been disseminated through signs in housing and offices. The recruitment in accordance to request to fill in shortage or replace employee stops; additional request using the labor requirement form; the process of selection, interview, and medical check-up. Unit of Certification has a policy on child labor, signed by CEO and in CLA also stated that the minimum age for workers is 18 years old.

Unit of Certification also showed that they had socialized the policy to relevant parties. For example, the socialization was held in March 2022 to workers in each estate and mill. 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, company also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement. Company also put a warning board which disallowance the children existence in the work area.

Status: Comply

6.5

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

6.5.1

Commitment to maintaining decency is regulated in Sexual Harassment and Violence Policy (No. 01 dated February 20, 2009), concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. To support this, Unit of Certification has formed a Gender Committee in each unit as a place to submit complaints and complaints regarding violations of reproductive rights/women and sexual harassment.

There is gender committee established to resolve if sexual harassment occurs. The policy on sexual harassment and reproductive rights of women are imposed on contractors by being included in their contractual agreements. Unit of Certification was developed protocol flowchart for sexual harassment reporting. Each of units (mill and estates) has their own gender committee that supported with annual work programmes. Estates annual Work Programmes, includes: socialization; counselling; monitoring; child care facilities monitoring; committee gender meeting; health services post (*Posyandu*). Based on document verification, Unit of Certification has also shown example of socialization of this policy to worker and contractor. For example, Unit of Certification has shown evidence of socialization which was attended by all workers in PHLE on 14 March 2022, 19 participants of representatives of surrounding community on 7-21 July 2021, and 7 participants of contractor on 24 January 2022.

Based on information from electronic media (website), gender committee and labour union representatives, as well as female employees, it was known that there is no negative issues and such case related to reproductive right, sexual harassment, violence and discrimination in the work place. Interviews with female workers during field visits (e.g. sprayers, loose fruit pickers, manual upkeep workers, etc.) confirmed that they understood the policy about sexual harassment and the reproductive rights.

6.5.2

Unit of Certification has Sexual Harassment and Violence Policy (No. 01 dated February 20, 2009), concerning the prevention of sexual harassment and violence and other forms, as well as to protect reproductive rights, such as prohibition of female workers who are pregnant breastfeeding from working in fields related to chemicals and other heavy work. Unit of Certification has also regulation of menstrual leave for female worker which is given for two days after it is checked by medical worker in clinic. Based on document verification sighted that Unit of Certification has also shown example of socialization of this policy to worker and contractor. Unit of Certification has shown evidence of socialization which was attended by all workers in PHLE on 14 March 2022, 19 participants of representatives of surrounding community on 7-21 July 2021, and 7 participants of contractor on 24 January 2022.

Based on document verification, Unit of Certification has given menstrual leave and maternity leave of female workers. For example, maternity leave was given 3 months of paid leave (1.5 months before give birth and 1.5 months after) while menstrual leave was given for 2 days. For example, paid leave letter of maternity leave on behalf of FTR (initial) in PRNE approved by the supervisor on 1 April 2022 (No. 05/SKH/MC-PHLE/IV/2022). Meanwhile, paid leave letter of menstrual leave on behalf of DWS (initial) in PRNE approved by the supervisor on 13 November 2021.

Unit of Certification has also documented pregnant women and young mother on each unit for period of 2021-2022. For example, Unit of Certification has shown pregnant women and young mother monitoring in PRNE and KULE in 2022. Based on result of document verification, there are 3 pregnant women and 2 young mother in PRNE and KULE.

Based on the interviews with the gender committee and day care officer, company had given time for breastfeeding woman and provided certain place for breastfeeding. This is one evidence that the company supports the protection of reproductive rights, especially for women.

6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that the company has provided a certain place for breastfeeding at day care with special time to breastfeed. There was no prohibition from supervisors in field related to this matter.

Unit of Certification has specifically provided need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities. Unit of Certification also showed the result of new mother's needs identification by Gender Committee in PHLM which was conducted on 3 January 2022. This document informed the needs of new mother during the give birth and after give birth as follows: maternity leave, day-care, breastfeeding room, consultation related to mother health in clinic, etc.

6.5.4

Unit of Certification has shown procedure to accommodate complaints and grievances from employees specifically in sexual harassment and violence showed in audio-visual socialization to all workers and stakeholders. In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower).

Based on the interviews with workers, it is known that workers already have sufficient understanding of the grievance mechanism. Related complaints of sexual harassment can be submitted to the gender committee.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

Unit of Certification has established and documented policy about force or trafficked labour in Social and Environment Policy article 3.1 stated "Acknowledge, Respect, and Strengthen workers right". Unit of Certification forbids child labour, forced labour, provide work contract in language that understand by workers and make sure the payment gives to workers in simple ways, on time and clear.

Unit of Certification has also shown that on each work agreement between Unit of Certification and contractor/supplier, 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 anti-bribery, anti-corruption, and anti-forced labor. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before contractor does work.

Based on result of interview with manpower agency, gender committee, labor union, and workers at estates and mill, there is no issue of discrimination and forced labor in Unit of Certification. There were no significant obstacles related to employment or violations of Unit of Certification regulations. Unit of Certification provided output targets that can be obtained in 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 payment list, the harvesters have earned above the minimum wage.

There were no pressure/forced in doing overtime work, workers who had overtime at Unit of Certification can refuse if ordered to do overtime activities because overtime is not the worker's obligation. Based on interview with workers, labor union and gender committee, all work in Unit of Certification was done voluntarily. There are no practices of retention of identity document, payment of recruitment fee, contract substitution; lack of freedom to resign, debt bondage, and withholding of wages in the Unit of Certification.

6.6.2

Unit of Certification has SOP No. 006/HROP/PSM 6/1/15 dated January 08, 2015 concerning Procedure for Recruitment & Appointment of Employees which has been approved by the CEO 6. In this procedure, it aims to guide the recruitment process for both PKWT and permanent workers. Unit of Certification still has workers with contract status for few works such as field worker. All the rights for each employment status have been distinguished for workers with contract status and the permanent status. There was no discrimination between contract workers and permanent workers. Unit of Certification has also socialized about its policy and procedure related to prohibition of worker discrimination in Unit of Certification to workers.

Based on document verification sighted that there are no migrant workers on this certification unit, there are only permanent and contract workers. In addition, based on interview with worker union board sighted that so far, there has never been a penalty for termination of employment, bonded labor practices, withholding wages, and forced overtime.

Status: Comply

6.7

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

6.7.1

The company has a person in charge of OHS by establishing a OHS committee in each unit that has been approved by the local manpower office, including:

- Decree of the Manpower Agency of the Province of North Sumatra with the number KEP.355.a-7/P2OHS/WIL-IV/DTK/SU/2022 concerning the Ratification of the OHS committee at PT. SMART Padang Halaban Estate. Ratified on June 16, 2022. The

organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries and Members. General OHS Expert on behalf of Ryzky Pasa as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 23093/POHS/AJ/12/2021/P2 dated December 31, 2021 with status still valid until December 31, 2024.

- Decree of the Head of the Manpower Agency of the North Sumatra Province with the number KEP.30.a-7/P2OHS/WIL-IV/DTK/SU/2022 concerning the Ratification of the OHS committee at PT. SMART Kanopan Ulu Estate. Ratified on February 21, 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretary, and Members. General OHS expert on behalf of Ona Suharto Tamarshi as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 9031/AOHS/U/VIII/2014 dated Augustus 07, 2014 with the status expired. The company shows proof of the general OHS Expert extension process at the Ministry of Manpower through a certificate No. 1038/SK/TPM/VI/2022 issued by PT Tranindo Pratama Mulia.
- Decree of the Head of the Manpower Agency of the North Sumatra Province with the number KEP.464-7/P2OHS/WIL-IV/DTK/SU/VI/2021 concerning the Ratification of the OHS committee at PT. SMART Pernantian Estate. Ratified on April 07, 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretaries, and Members. General OHS Expert on behalf of Adit Tiwarman P as Secretary which was decided by the Minister of Manpower of the Republic of Indonesia No. 92014/POHS/AJ/12/2020/P0 dated December 22, 2020 with the status still valid until December 22, 2023.
- Decree of the Head of the Manpower Office of the North Sumatra Province with the number KEP.987-7/P2OHS/WIL-IV/DTK/SU/2021 concerning the Ratification of the OHS committee at PT. SMART Adipati Estate. Ratified on November 19, 2021. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretary, and Members. General OHS Expert on behalf of Abdul Rahman Santoso as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 41827/POHS/AJ/31/2020/P1 dated 27 Augustus 2020 with status still valid until 27 Augustus 2023.
- Decree of the Head of the Manpower Office of the North Sumatra Province with the number 566/212-7/DIK/VIII/2021 concerning the Ratification of the OHS committee at PT. SMART Padang Halaban Mill. Ratified on January 13, 2022. The organizational structure of OHS committee consists of: Trustees, Chairpersons, Secretary, and Members. General OHS Expert on behalf of Budi Setiawan as Secretary decided by the Minister of Manpower of the Republic of Indonesia No. 92016/POHS/AJ/12/2020/P0 dated 22 December 2020 with status still valid until 22 December 2023.

In the OHS program there is a OHS committee meeting which is carried out every month to discuss issues and evaluate the OHS work program, as an example of the discussion at the OHS committee meeting in May 2022, namely: OHS committee meeting at KULE on May 28, 2022, discussing implementation of Occupational Health and Safety Management System Internal Audit Training, PPE/Safety Patrol inspections, and safety talk.

6.7.2

The company already has emergency response procedures contained in the SOP/SMART/GENERAL/SADV/II/005 document which explains Emergency Preparedness and Response. The company shows the Emergency Response Team Structure in each Mill and Estate unit, including:

- Emergency Response Committee at PHLE which was ratified by the Chair of OHS committee on June 4, 2022. The organizational structure consists of the Trustees, Chairpersons, General Assistants, Secretaries, Daily Chairs, Team Teams.
- Emergency Response Committee at KULE which was ratified by the Chair of OHS committee on January 28, 2022. The organizational structure consists of the Trustees, Chairpersons, General Assistants, Secretaries, Daily Chairs, Team Teams.
- Emergency Response Committee at PRNE which was ratified by the Chair of OHS committee on January 03, 2022. The organizational structure consists of the Trustees, Chairpersons, General Assistants, Secretaries, Daily Chairs, Team Teams.
- Emergency Response Committee in ADPE which was ratified by the Head of OHS committee on 04 May 2022. The organizational structure consists of a Trustee, Chairperson, General Assistant, Secretary, Daily Chair, Team.

The company also shows documents for first aid training activities to workers, such as:

- First aid training activities at PHLE was carried out on 24-26 February 2022, attended by 64 workers.
- First aid training activities at PRNE was carried out on February 2, 2022, attended by 9 workers
- First aid training at PHLM was carried out on January 31, 2022, attended by 12 workers.

Based on field observations and document review, it is known that the company has provided first aid kits at strategic and easily accessible places and provided supplies to the foreman in the form of first aid bags. The foreman has also been given training and can explain how to use the contents of the first aid bag. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations.

Based on interviews and document reviews, it is known that the company has reported work accidents and is reviewed regularly in the OHS committee quarterly report to the Manpower and Transmigration Agency.

6.7.3

The company shows a standard matrix document for PPE requirements and a PPE replacement program for each unit, for example for FFB sorting workers at the Mill, the types of PPE used are helmets, safety boots and gloves. Helmets are replaced every 3 years or 1 year per pcs for brackets if there is damage, safety boots are replaced every year or every time there is damage, gloves are replaced every time there is damage.

The company has provided adequate Personal Protective Equipment (PPE) according to its designation to each worker by showing several recorded documents such as:

- Minutes of handover of PPE for each unit, for example:
 - Workers in ADPE Division 1, the distribution of PPE will be carried out on June 8, 2022, including 20 pcs of safety boots, 6 pcs of helmets, 20 pcs of goggles and 20 pcs of *dadas* gloves.
 - Workers in Division 1 KULE, the distribution of PPE was carried out on June 18, 2022, including 8 pcs of gowns, 8 pcs of rubber gloves, 8 pcs of respirator masks and 8 pcs of safety boots.
- Documents of PPE stock results in each unit to determine the availability of spare PPE in the warehouse, such as:
 - PPE stock taking at KULE on July 2, 2022, it is known that there are PPE in the warehouse such as 14 pcs Safety helmets, 21 pcs gowns, 24 pcs rubber gloves, 40 pcs safety boots, etc.
 - PPE stock taking at PHLM on July 4, 2022, it is known that there are PPE in the warehouse such as 9 pcs safety shoes, 9 pcs safety helmets, 5 pcs ear muffs, 6 pcs respirator masks, etc.

Based on interviews with several workers and field observations of work activities both at the Estate and at the Mill indicate that workers have used the appropriate PPE and got the PPE from the company for free and understand the mechanism for replacing PPE if the PPE is damaged/lost.

Based on field observations to the rinse bathroom, it is known that the company has carried out procedures for bathing, washing PPE and spray equipment, as well as storing work tools and PPE.

Based on this objective evidence, Plantation Business Actors provide adequate sanitation facilities and Personal Protective Equipment (PPE) in accordance with their designation for each worker.

6.7.4

Unit of Certification provided health services such as clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided for workers are still functioning properly. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it revealed that all workers (contract workers and permanent workers were registered in the BPJS program, proven as follows:

- *BPJS* (Health Insurance) payments for PHLM, PHLE, PRNE, KULE and ADPE, have been completely fulfilled and the last proof of payment is on 10 May 2022 for period of May 2022 and 9 June 2022 for period of June 2022.
- *BPJS* (Social Security Insurance) payments for PHLM, PHLE, PRNE, KULE and ADPE, have been completely fulfilled and the last proof of payment is on 10 May 2022 for period of April 2022 and 9 June 2022 for period of May 2022.

Based on the interviews with estate workers, mill workers and labor union, they informed that they had the acknowledgement of their involvement in BPJS program and they also held the BPJS card. Based on the document review and the interview with management representatives, it's known that there were no fatal or major accident on the period of 2021 to 2022.

Based on document verification, there is accident occurred on 30 May 2022 on behalf of ADS (initial) in PHLM which is categorized as fatality. This case can be publicly accessed through <https://www.kompas86.com/nasional/kecelakaan-kerja-terjadi-di-pks-pt-smart-tbk-padang-halaban-pihak-perusahaan-bungkam/>. This case has been reported to Manpower Agency of North Sumatera Province and *BPJS* (Social Security Insurance) on 31 May 2022. PT Smart Tbk has shown process of its handling in this case based on document of transfer receipt of severance payment on 8 June 2022 and process of accident claim which was discussed recently with *BPJS* (Social Security Insurance) on 14 June 2022. Based on document verification, accident claim from *BPJS* (Social Security Insurance) is still on

process until this assessment was conducted. Besides, PT Smart Tbk has also make efforts to hire wife of ADS (initial) who are currently in the recruitment process in PHLM on 6 June 2022.

6.7.5

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of OHS Committee. For example, LTA recordings for the May 2022 period are:

Unit	Work Hours	Case	LTI	FR	SR
KULE	60,010	0	0	0	0
PHLM	25,797	2	6,003	13.86	41,596

Based on the description above, the company records work accidents using Lost Time Accident (LTA).

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 a record of the implementation of pest monitoring and control, by showing evidence such as:

- Observations of Psychidae pests in June 2022 in PHLE showed that the average number of Psychidae was nil, observations of rat pests in April 2022 in PHLE found that the average percentage of rat attacks was below the threshold (<5%) which was 2.53%.
- Planting of beneficial plant, the company has planted a beneficial plant by showing a beneficial plant monitoring document, based on the document review it is known that the company has planted a beneficial plant in 2021 – June 2022, namely: Planting Turnera subulata in PHLE along 575,762 Mtr and antigonon leptopus along 62.198 Mtr, Turnera subulata planting in KULE along 12,500 Mtr. Based on field observations at KULE block A39 Division 1, B35 Division 2, PHLE block B52 and block B50 Division 2, PRNE block C28, C25 Division 3, it is known that the area has been planted with beneficial plants.
- Development of Owls as natural predators of rats. Based on a review of the owl cage data documents in PRNE, it is known that there are 53 active owl cages out of a total of 65 owl cages in PRNE.

From the results of field visits, interviews, and document review, it is known that the company has and has implemented SOPs for pest monitoring and control.

7.1.2

The company does not use the species mentioned in *Permen LHK No.P. 94/MENLHK/SEKJEN/KUM. 1/12/2016* concerning Invasive Types. This is based on the documents monitoring of planting/maintaining beneficial plants, such as Turnera imifolia, and Antigonon leptopus both at PHLE, PRNE, ADPE and KULE to deal with attacks of Limacodidae and Psychidae. The company has planted a beneficial plant by showing the beneficial plant monitoring document, based on a review of the document it is known that the company has planted the beneficial plant of the 2021 - June 2022, namely: planting Turnera subulata in PHLE along 575,762 Mtr and antigonon leptopus along 62.198 Mtr, Turnera subulata planting in KULE along 12,500 Mtr. Based on field observations at KULE block A39 Division 1, B35 Division 2, PHLE block B52 and block B50 Division 2, PRNE block C28, C25 Division 3, it is known that the area has been planted with beneficial plants. The company also uses Tyto Alba species for biological control of rat pests. Based on a review of the owl cage data documents in PRNE, it is known that there are 53 active owl cages out of a total of 65 owl cages in PRNE.

7.1.3

The company has shown its commitment to eco-friendly plantation management. Based on document review, field observation, as well as interview with the workers and external stakeholders, 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

The company has SOPs and work instructions on weed management, guidelines covering the selection, storage, application, handling of contaminated, known about the signs and symptoms of pesticide poisoning and first aid for poison cases. The company has a written commitment to reduce paraquat pesticides in plantation operations, which is indicated in the President Director's Memorandum number 032/PD/VIII/2015 dated August 13, 2015 regarding the cessation of the use of paraquat herbicides. The memo states that starting in early 2016 there should be no more weed eradication using herbicides with the active ingredient Paraquat. With this concept, the use of pesticides that are limited in nature such as paraquat is not used.

Measures to avoid the development of resistance are to use pesticides selectively (for weeds) and develop biological control (for pests). The company shows a list of all types of pesticides used for the period 2022, for example at the Padang Halaban Estate namely:

Pesticides	Active Ingredients	No. Registration	Objective
Erkafron	<i>Metsulfuron methyl</i>	RI.01030120134861	Broadleaf weed (<i>Borreria alata</i> , <i>Calopogonium mucunoides</i> , <i>Passiflora foetida</i>), gulma berdaun sempit (<i>Axonopus compressus</i> , <i>Ottochloa nodosa</i>)
Garlon	<i>Triklpir</i>	RI.01030120155148	Broadleaf weed (<i>Chromolaena odorata</i>)
Roll Up	<i>Isopropil amina glyphosate</i>	RI.01030120042133	Broadleaf weed (<i>Clidemia hirta</i> , <i>Mikania micrantha</i>), narrow leaf weed (<i>Ischaemum timorense</i> , <i>Ottochloa nodosa</i>)
Starane	<i>Fluroxypyr</i>	RI.01030120083155	Broadleaf weed (<i>Mikania micrantha</i>)

Based on observations and interviews conducted with spray workers in block A39 Divisi 1 KULE, and block B50 Division 2 PHLE it was concluded that workers knew about the function of the chemicals used and were selective when spraying activities. As an example for the material Isopropyl amine glyphosate and Fluroxypyr is used for path spraying.

7.2.2

The company shows a record of pesticide use from January to December 2021, which is included in the monthly pesticide monitoring document containing information on the type of pesticide used, active ingredient, area used, amount used, usage units, period of use and LD-50, and class WHO. For example at PT. SMART Padang Halaban Estate for the period January - December 2021 as follows:

Pesticides	Active ingredient	LD50 (rat) (mg/kg)	% Active ingredient	Amount used (Ltr or Kg)	Area used (Ha)	Unit/Ha
Roll up (L)	Isopropil amina glyphosate	5,000	0.41	4,226.64	7,062.25	0.60
Starane (L)	Fluroxypyr	200	0.48	603.81	7,062.25	0.09
Garlon (L)	Triclopyr	5,000	0.44	77.8	7,062.25	0.01
Erkafron (Kg)	Methyl Metsulfuron	5,000	0.60	2,618.93	7,062.25	0.37

Based on field observations, it is known that workers understand the principle of selective weed control and the Buffer zone area such as a river border, around 2 trees along the river border, there should be no application of pesticide spraying.

7.2.3

The company shows records of pesticide use in 2020 and 2021 at PT MP Leidong West Indonesia Kanopan Ulu Estate which shows a decrease in pesticide use, such as:

Pesticides	Unit	2020	2021
Roll Up	L	3,772.74	3,503.25
Starane	L	506.84	285.86
Decis	L	18.36	-
Rolifos	L	228.00	21.00
Marshal	Kg	8,846.47	7,871.95

The company has also planted beneficial plants, such as *Antigonon leptopus* and *Turnera*. In addition, the company also develops

owls as natural predators of rats. Based on a review of the owl cage data documents in PRNE, it is known that there are 53 active owl cages out of a total of 65 owl cages in PRNE.

Based on field observations, interviews, and document review, it is known that the company has maintained records of the use of pesticides and their reduction to a certain extent by substitution of environmentally friendly materials/use of biological agents for the maintenance of plantation crops.

7.2.4

The company shows a plan document for pest control activities consisting of detection and census of rats, leaf-eating caterpillars, and biological control, such as planting beneficial plants and developing owl populations. The company monitors the effectiveness of biological pest control such as developing beneficial plants for oil palm leaf-eating caterpillars and developing owls for mice. The use of insecticides is carried out if the level of pest attack is above the threshold (> 5 caterpillars / midrib or > 5 rats/plant). The company shows the Psychidae pest observation document in June 2022 at PHLE, it is known that the average Psychidae number is nil (below the threshold), the observation of rat pests in April 2022 at PHLE shows the average percentage of rat attacks is 2.53% (below the threshold).

7.2.5

The company has a written commitment to reduce pesticides in plantation operations, which is indicated in the President Director's Memorandum number 032/PD/VIII/2015 dated August 13, 2015 regarding the cessation of the use of the herbicide paraquat. The memo states that starting in early 2016 there should be no more weed eradication using herbicides with active ingredient paraquat. Regarding Pesticides categorized as WHO Class 1A or 1B, there are Social and Environmental Policies that are stated to be minimized and eliminated as part of the plan, and will only be used in exceptional circumstances. Based on document verification, the companies does not have paraquat and WHO Class 1A or 1B, or those registered by the Stockholm or Rotterdam Convention applications.

Based on the results of the physical verification carried out at the PHLE chemical warehouse, it can be concluded that the stock records are in accordance with the actual physical in the chemical warehouse.

7.2.6

The procedure for mitigating the use of pesticides is contained in weed procedures, pest control and work instructions, including in the PUKBP Attachment document (General Instructions for Safety in Working with Pesticides) of the Weed Control SOP (SOP/SMART/MCAR/VIII/TA-PGM) rev 0 This procedure regulates, among others:

- Selection of pesticides according to the body of the nuisance.
- The use of pesticides is registered and authorized by the government.
- Storage of pesticides in a locked room, out of reach of children, pets/livestock, away from food, drink, or sources of ignition, but with good ventilation.
- Provide water and cleaning agents, pesticide absorbent materials, and containers to dispose of spilled pesticides, and provide fire extinguishers.
- Prohibition of pregnant women and unsanitary workers as pesticide applicators.
- Use of protective PPE for all arms and legs, gloves, face shield, and breathing apparatus.
- Safe procedures for mixing pesticides.
- Procedures for handling poisoning.
- Overcoming pesticide contamination.

To ensure this is working, the company carries out training on the use of pesticides for pest/weed spraying activities, such as:

- Spray training at KULE on 16 March 2022 which was attended by 20 workers and spray foreman.
- Spray training at ADPE on 29 March 2022 which was attended by 7 workers and spray foreman

Based on field observations in block C25 Division 3 PRNE, it is known that workers have carried out work in a trained manner and according to procedures, use of appropriate PPE, areas related to chemicals equipped with safety sign, limited area warnings, warnings on the use of PPE, emergency response facilities such as Fire Extinguisher, MSDS, HIRAC, washroom, spill control area and cleaning equipment.

7.2.7

The results of the field visit in Division 1 & 2 of PRNE, it is known that the company already has sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for work tools and PPE, milk drinking rooms, no pesticides were found in the building.

The results of the field visit at the chemical/pesticide storage warehouse, it is known that the chemical storage area has been equipped with closed containers, arranged on shelves equipped with MSDS and labeled Toxic and Hazardous Waste as well as warnings outside the building, cloth and other cleaning tools are available to anticipate spills from pesticides, the fertilizer storage area is equipped with ventilation and is lined with pallets

Based on this explanation, it is concluded that the company has stored the chemical materials in accordance with the applicable regulations.

7.2.8

The certification unit has SOPs and work instructions related to hazardous waste management which are contained in the

- SOP for Waste Management with document number SOP/SMART/LEMS-EHSD/SADV/I/002 dated July 2, 2014 which was legalized by the head of upstream. This procedure describes the identification and management of waste generated from the company's operational activities, including agrochemical packaging waste.
- Regarding the procedure, unit certification applies the steps outlined in the work instructions (known as IK) for the handling of the pesticide packaging produced (IK/SMART/LEMS-EHSD/SADV/002/001), among others by doing:
 - Separate the used pesticide packages measuring 20 liters and sizes <20 liters. Visually make sure that the packaging submitted does not contain chemical residues
 - Bring the used pesticide packaging <20 liters to the hazardous waste storage and record it in the logbook
 - Bring the used pesticide packaging 20 liters to the pesticide packaging rinsing place
 - Enter pressurized clean water of $\pm 1/10$ of the volume of the container and rinse by shaking until it hits the entire wall of the container. Rinsing was carried out 3 times. Collect the rinsed water into the rinse water reservoir
 - Store rinsed clean packaging in the warehouse, used rinsed packaging can be reused for the same activities and/or stockpiled and/or returned to the supplier and/or in accordance with the MSDS of the material.
 - The remaining rinsing water can be used for the next mixing process to optimize the use of agrochemicals.

From the results of field visit in housing area at Padang Halaban Estate, it was found that there were no traces of chemical packaging used as water reservoirs or other housing activities. From the results of documents review, in the form of waste manifests and Hazardous Waste Processing Data (example: April – May 2022) for washing log book and management purposes, it is used as a water container for spray activities. Based on interviews with employees and the foreman of pesticide application Padang Halaban Estate, it is known that all pesticide packaging is collected at the designated storage area and the company coordinates with collectors to recycle and not be used for purposes other than pesticide application activities.

7.2.9

Based on the results of a review of pesticide application documents and interviews with management, spray workers and the village heads, it was found that during ASA 1.4+RC the company did not apply airborne spraying.

7.2.10

The company has carried out special health checks for pesticide/chemical operators, including:

- A special medical check up at Padang Halaban estate was carried out on March 25 & June 10, 2022. The examination includes audiometry and cholinesterase. The number of employees who took part in the cholinesterase special medical check up was 229 workers with normal results and 8 workers with normal audiometry results.
- The cholinesterase special medical check up at Adipati Estate was carried out on June 8, 2022, for 110 workers with normal check up results.
- The cholinesterase special medical check up at Kanopan Ulu Estate was carried out on June 9, 2022, for 95 workers with normal check up results.

The company has not been able to carry out a special spirometry examination based on the Certificate of Implementation of the Workforce Health Examination During the Covid-19 Pandemic from the Company Doctor, dated January 3, 2022, which among other things explained that based on the situation during the Covid-19 pandemic, the special spirometry health examination could not yet be

carried out. carried out because the risk of transmission and spread is rather high, namely from respiratory droplets (droplets), air transmission, contaminated surfaces

Based on this explanation, it can be concluded that the company has carried out special annual health checks for pesticide/chemical operators and documented evidence of follow-up on the results of the inspection.

7.2.11

The Company shows the Circular Letter from VPA PSM-1, number 02/VPA-1/I/2009, dated January 13, 2009, regarding the Labor of Pregnant and lactating Women, which states that in relation to the regulation of Law No.13 of 2003 concerning employment Article 76 paragraphs 1 & 2, the requirements of RSPO Principle 4 Criterion 4.6, it is decided that pregnant and lactating women are prohibited from working as sprayers.

Based on the results of interviews with workers, it is known that there are regular 3-monthly pregnancy checks for pesticide applicators and no pesticide work is carried out by people who are not yet 18 years old, pregnant or lactating women, or people with medical limitations and they are offered alternative jobs, such as manual maintenance.

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 certification unit already has SOPs and work instructions related to Hazardous and Toxic Waste management which are contained in the SOP for Waste Management with the document number SOP/SMART/LEMS-EHSD/SADV/I/002 dated July 2, 2014 which signed by the head of upstream. This procedure describes the identification and management of waste generated from the company's operational activities, for example:

- Solid waste in the form of shells, fiber and empty leaves is fully utilized to support plantation activities and palm oil processing factories. The shell and fiber are used for boiler fuel, while the empty leaves are applied as organic fertilizer in oil palm plantations.
- Liquid Waste from processed FFB (Raw effluent) is fully utilized for plantation activities as organic liquid fertilizer (Land Application) after going through the processing process in a wastewater treatment plant (WWTP) pond to meet the quality standard requirements according to regulations.
- Boiler ash is used for stockpiling.
- Liquid waste from ex-factory operations is accommodated in a sedimentation tank to settle dissolved solids. The solids in the sedimentation tank are then removed and stockpiled periodically, while the sediment water is discharged into the waters
- Waste gas is generated from boiler chimney and generator emissions. Gas waste is periodically monitored for emission tests in accordance with applicable regulations
- Domestic solid waste in the form of household and office waste is managed by collecting and stockpiling in the final waste disposal site and the final waste storage requirements are far from settlements, flood-free locations, and not swampy puddles.
- Hazardous waste is stored in hazardous dan toxic waste storage and handling according to its type and characteristics.
- Non-solid hazardous waste is collected and can be reused or sold.
- Medical waste in the form of used syringes, expired drugs, used bandages, etc., is stored in a place provided and handed over to a hospital that has a permit for destruction.

Regarding the procedure, unit certification applies the steps outlined in the work instructions, such as;

- Handling of pesticide packaging produced with No. IK/SMART/LEMS-EHSD/SADV/002/001
- Handling of used fertilizer packaging with No. IK/SMART/MCAR/IX/TA-PPK rev.01 February 1, 2019

Unit certification has a temporary storage permit for Hazardous and Toxic waste, through the document;

- **Padang Halaban Mill:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Padang Halaban Mill based on the Decree of the Regent of Labuhanbatu Utara No. 660/275/DLH/2017 dated 12 June 2017 with a validity period of up to 5 years.
- **Padang Halaban Estate:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Padang Halaban Estate based on the Decree of the Regent of Labuhanbatu Utara No. 660/273/DLH/2017 dated 12 June 2017 with a validity period of up to 5 years.
- **Pernantian Estate:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Pernantian Estate based on

the Decree of the Regent of Labuhanbatu Utara No. 503/02/DPM-PPTSP/IPSLB3/2019 dated 22 Mei 2019 with a validity period of up to 5 years. This permit has 2 storage locations in Pernantian Village Marbau District, and Silumajang Village, District Na. IX-X.

- **Adipati Estate:** Permit for temporary storage of hazardous and toxic waste PT SMART Tbk unit Adipati Estate based on the Decree of the Regent of Labuhanbatu Utara No. 660/274/DLH/2017 dated 12 June 2017 with a validity period of up to 5 years.

The types that can be stored are; used oil, used batteries, chemical residues, contaminated packaging, contaminated materials (LED lamps, printer ribbons, etc.), rags contaminated with hazardous and toxic waste, oil filters, diesel filters, paint cans, and infectious medical waste.

- **PT Leidong West Indonesia – Kanpoan Ulu Estate**

Based on the Decree of the Head of *Dinas Penanaman Modal dan Pelayanan Perizinan Terpadu Satu Pintu* of Labuhanbatu Utara Regency No. 503/03/DPM-PPTSP/IPSLB3/2019 dated 22 May 2019 with a validity period of up to 5 years. Maximum storage period is 180 days. This permit has 3 storage locations in Kanpoan Ulu Plantation Village, Kualuh Hulu District, Sialang Taji Village, Kualuh Selatan District, and Damuli Pekan Village, Kualuh Selatan District. The types that can be stored are; used oil, dirty oil, used batteries, chemical residues, contaminated packaging, contaminated materials (LED lamps, printer ribbons, etc.), rags contaminated with hazardous and toxic waste, oil filters, diesel filters, paint cans, and infectious medical waste

Based on the results of field observations carried out in the hazardous and toxic waste temporary storage area, it shows that the certification unit has carried out hazardous and toxic waste management by installing emergency response facilities such as fire extinguishers, first aid kits, alarm, eye wash, showers and other equipment such as coordinate points, warning boards and installing symbols and labels appropriate to the type of hazardous and toxic waste stored. In addition, there is also a waste recording logbook to record hazardous and toxic waste displacement.

In its implementation in the field, the unit certification already has a cooperation agreement with a third party to handle hazardous and toxic waste, there are;

- PT Sinarmas Agro Resources and Technology Tbk (PT SMART Tbk) with PT Amindy Barokah Sumut with No. 030/SMART-ABS/SPK-LB3/1/2022 on 3 January 2022 with a validity period of up to one year.
- PT Leidong Wert Indonesia Plantation Airlines with PT Amindy Barokah Sumut with No. 033/MPLWI-ABS/SPK-LB3/1/2022 on January 3, 2022 with a validity period of up to one year

The agreement also explains that the types of hazardous and toxic waste to be submitted are used lubricants, used batteries, expired chemicals, laboratory waste, used catalysts, contaminated packaging, used hazardous and toxic packaging, used filters, used rags, used toner/cartridges, medical waste and waste. In the management, utilization and/or processing of waste, PT Amindy Barokah Sumut with licensed parties, namely; PT Non Ferindo Utama, PT Wastec International, and PT Trigunapratama Abadi.

7.3.2

The company already has a document on the results of monitoring the implementation of hazardous and toxic waste management procedures according to PP No. 22 of 2021 which is contained in several documents, including:

- Document of hazardous waste source identification results for the 2021 period which provides information regarding the sources of hazardous and toxic waste that have been identified by the company, either from the plantation or from the mill.
- Balance Sheet and Logbook for storing hazardous and toxic waste at the storage area.
- Conducting socialization of hazardous and toxic waste management to employees.
- OHS Completeness Monitoring Document for the period 2021 which informs the condition and completeness of emergency response facilities in storage areas, such as first aid kits, eye wash and shower checks, fire extinguishers, spill kits (*majun*) and alarms. The monitoring results show that all equipment is in good condition and in accordance with company SOPs.

From the results of the document review by comparing the balance sheet and logbook, it can be seen that the submission of waste to storage for June 2022 was appropriate and there was no difference in the amount submitted. Thus it can be concluded that there are no recording errors and discrepancies based on the Balance Sheet, Logbook and Festronek documents, this indicates that the company has properly documented the storage and handling of hazardous waste. So it can be concluded that the company carries out waste disposal according to procedures that are fully understood by workers and managers

Based on interview with manager known that the company has commitment not to burn the waste, domestic waste from housing area is collected and segregated into organic with composting and an-organic picked 2 times every week to landfill area. From field observation in landfill area location of landfill is far away from waterways and the housing area, so there is no potential for contamination of the environment.

7.3.3

The unit certification does not use open burning for waste disposal. It can be proven through document review and management interviews, that the company has a Waste Management Procedure document with No. SOP/SMART/LEMS-EHSD/SADV/II/002 rev. 00. The scope of this procedure is for factories, estates, housing, offices at PT SMART Tbk, and PT MP Leidong West- Kanopan Ulu Estate, as a reference for handling agrochemical waste including used pesticide packaging, palm fronds, liquid waste, empty bunch fruit, solid decanter waste, hazardous waste, household (domestic) and office waste.

Waste management applied based on Sinar Mas plantation internal regulations and government regulations on a clean production approach with several principles, including:

- Reduce, Reuse, and Recycle (3R)
- Zero burning
- Disposal

It is also proven through the waste transportation manifest and the results of field observations in housing area that there were no traces of burning activities. Interviews with employees who live in the housing estate also stated that they had never burned waste due company commitment.

Status: Comply

7.4

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

7.4.1

The company has a Fertilization SOP (SOP / SMART / MCAR / IX / TA-PPK) to maintain soil fertility. The company has implemented practices to optimize production results according to established procedures, including:

- SMARTRI takes soil and leaf samples regularly to ensure the elements needed by plants for optimal production. The results of the analysis of the tested soil and leaves will be the basis for determining the dose of fertilizer in each estate.
- Fertilization activities that prioritize the principles of being on time, on target, at the right dose and on application. In addition, marginal soils (sandy) are given extra fertilization in the form of empty bunches at a dose of 40 tons / ha.
- The company's commitment to no longer use pesticides with the active ingredient paraquat or those belonging to the WHO Class 1A and 1B groups.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application at LPYE.
- Maintenance of cover crops to reduce evaporation (maintain soil moisture). For example planting legumes (*Mucuna bracteata*) and maintenance of soft ferns (*Nephrolepis bisserata*). To all employees, spraying is always conveyed at morning apples not to spray the plants.
- Monitoring the implementation of SOPs, among others, is carried out through an internal audit mechanism conducted by the OIA Department every semester.

7.4.2

The company already has the SOP for Soil Sampling Unit (SSU) IK/SMART/MCAR/IX/TA-PPK/06- Soil Sampling Unit (SSU) Collection. In this procedure, it is explained that soil analysis is carried out at the age of 3 years, 8 years, 13 years, 18 years, 23 years and before replanting which represents the age range of plants, namely the age of young, juvenile and old plants.

In addition, the company also has a Leaf Sample Return Work Instruction (LSU) IK/SMART/MCAR/IX/TA-PPK/05- LSU collection as the basis for leaf sampling activities which are carried out once a year. In the Fertilization SOP made by SMARTRI Fertilizer dosage is determined based on consideration of LSU results, research results (specific location), age, plant conditions, soil, and climate as well as cost-efficiency.

The company shows the implementation document for taking leaf samples by analyzing the content of active cations, N, P, K, Mg, Ca, and B, including:

- Leaf sampling at KULE Division 2 & 3 on 28 March 2022 as many as 16 samples.

- Leaf sampling at PRNE Division 3 on 7 April 2022 as many as 15 samples.
- Leaf sampling at ADPE Division 1 & 3 on March 4, 2022, as many as 13 samples.

The company shows the implementation document for taking soil samples by analyzing texture (hydrometry), pH (pHmeter), C.Org (W&B titrimetry), N tot (kj+FIA), P, K, Mg Cad, QCP-OES exchange base), P Bray, CEC (FIA), H-Al exchange (titrimetry), including Taking 48 samples of soil at KULE on November 29, 2021.

Based on the explanation above, it is concluded that the company records the activities of analyzing leaf tissue and soil samples on a regular basis.

7.4.3

The company shows a record of the realization of empty bunches at PT SMART Padang Halaban Estate for the period January - December 2021 and January - May 2022, with details:

Location	Empty Bunch in PHLE			
	Tonnage Jan – Dec 2021		Tonnage Jan – May 2022	
	Budget	Actual	Budget	Actual
Padang Halaban Estate	72,646.04	39,821.31	26,293.75	18,736.38

The company also showed the realization of palm oil liquid waste (POME) applications in PHLE for the January - December 2021 period of 198,429 M3 and the January - May 2022 period of 76,458 M3.

7.4.4

The company shows records of fertilizer use in 2021 and the period January - May 2022. For example, records of fertilizer use from January 2021 - May 2022 are as follows:

Fertilizer Types	Application Jan-Dec 2021 (Kg)		Application Jan-May 2022 (Kg)	
	PHLE	KULE	PHLE	KULE
Urea	1,399,550	659,590	782,902	573,450
NPK 12.12.17	21,241	4,765	555,367	0
Kieserite Powder	20,250	26,200	70,913	53,450
TSP	87,650	132,015	42,497	53,907
MOP	2,843,750	1,099,700	1,426,750	658,400
HGFB	53,190	33,220	53,778	25,421
Super Dolomite	1,868,750	269,850	94,200	66,950

Based on the data above, it is known that the company has a record of the use of fertilizer every month which is in accordance with the actual and the recommended.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The company presented a semi-detailed 2004 soil survey document with maps of 1:35,000 and 1:50,000 scales that identified land conditions, topography and soil types, namely:

- KULE: Semi-detailed land map No reg. 50/202/PMNP/II/06 dated February 14, 2006 for Division 1, 2 & 3 scale 1:40,000, has a topographic slope of 0-8% and 8-15% and the type of soil is loam sandy and dusty. For Divisions 4 & 5 the scale 1:30,000 has a topographic slope of 0-3% and the type of soil is dusty clay.
- PRNE: Semi-detailed Land Suitability Class map with 1:60,000 scale No reg. 1444/214/PMNP/X/2014, has a topographical slope of 3-9%, 9-16%, 16-21%, 21-40%, 40-58%. Clay soil texture, dusty and clayey.
- ADPE: Semi detailed map No reg. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. Peat soil type with sapric maturity and depth > 3 M.
- PHLE: Semi-detailed land map Land Suitability Class 2014 No reg. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographic slope of 0-8%, 8-15% and 15-30%. Clay soil texture, dusty and sandy.

7.5.2

The company carries out oil palm replanting activities not on steep slopes. This can be seen through a semi-detailed soil map as follows:

- PRNE: Semi-detailed Land Suitability Class map with 1:60,000 scale No reg. 1444/214/PMNP/X/2014, has a topographical slope of 3-9%, 9-16%, 16-21%, 21-40%, 40-58%. The replanting activity at PRNE has been completed in 2021, based on the Work Agreement and Work Inspection Report documents, replanting activities are carried out in areas with a slope of 90 – 220 or 15 – 40% with activity items in the form of chipping, contour terraces, contour roads, trenching 1x1, the manufacture of mechanical planting holes is done by PT Surya Baru Prima Nusantara.
- ADPE: Semi detailed map No reg. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. There has been no replanting activity in ADPE.
- PHLE: Semi-detailed land map Land Suitability Class 2014 No reg. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographic slope of 0-8%, 8-15% and 15-30%, which means that there is no land with a steep topography. Replanting activities at PHLE were carried out in 2020 and 2022, based on the Minutes of Replanting Work Inspection document dated June 10, 2022, replanting activities in the form of mechanical chipping, mechanical planting holes, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara.
- KULE: Semi-detailed land map No reg. 50/202/PMNP/II/06 dated February 14, 2006 for Divisions 1, 2 & 3 on a scale of 1:40,000, having a topographic slope of 0-8% and 8-15% and Divisions 4 & 5 on a scale of 1:30,000 having a topographic slope of 0 -3%, which means there is no land with a steep topography. The replanting work at KULE was carried out in 2020, based on the Minutes of Replanting Work Inspection document dated October 22, 2020, replanting activities in the form of mechanical chipping, mechanical planting holes, contour terraces, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara.

Based on field observations in the replanting area for 2020 PHLE Division 7, block G61 & block G70, replanting area for 2021 PRNE Division 3, block C41 and replanting area for 2022 PHLE Division 5, it is known that there is no replanting activity in steep areas and burning activities.

7.5.3

Based on document review, interviews, and field observations during the RSPO ASA 1.4 + RC audit, there were no land clearing and new planting activities carried out by the company.

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

Companies show document the long-term suitability of land and oil palm cultivation and identify soils that are classified as marginal and vulnerable, including steep areas through the guidelines contained in semi-detailed land survey reports so that they can be used as references in the construction of drainage channels, roads and other infrastructure, for example semi-detailed land survey reports include:

- PRNE: Semi-detailed Land Suitability Class map with 1:60,000 scale No reg. 1444/214/PMNP/X/2014, has a topographical slope of 3-9%, 9-16%, 16-21%, 21-40%, 40-58%. Land suitability class S2 (adequate) and S3 (marginal appropriate). The replanting activity at PRNE has been completed in 2021, based on the Work Agreement document replanting activities are carried out in areas with a slope of 90 – 220 or 15 – 40% with activity items in the form of chipping, contour terraces, contour roads, 1x1 trench construction, making mechanical planting holes carried out by PT Surya Baru Prima Nusantara.
- ADPE: Semi detailed map No reg. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. Land suitability class N (not suitable). There has been no replanting activity in ADPE.
- PHLE: Semi-detailed land map Land Suitability Class 2014 No reg. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographic slope of 0-8%, 8-15% and 15-30%, which means that there is no land with a steep topography. Replanting activities at PHLE were carried out in 2020 and 2022, based on the Minutes of Replanting Work Inspection document dated June 10, 2022, replanting activities in the form of mechanical chipping, mechanical planting holes, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara.
- KULE: Semi-detailed land map No reg. 50/202/PMNP/II/06 dated February 14, 2006 for Divisions 1, 2 & 3 on a scale of 1:40,000, having a topographic slope of 0-8% and 8-15% and Divisions 4 & 5 on a scale of 1:30,000 having a topographic slope of 0 -3%, which means there is no land with a steep topography. Land suitability classes are S2 (adequate), S3 (marginal appropriate) and

N (not suitable due to flooding). The replanting work at KULE was carried out in 2020, based on the Minutes of Replanting Work Inspection document dated October 22, 2020, replanting activities in the form of mechanical chipping, mechanical planting holes, contour terraces, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara.

Based on document review, interviews, and field observations during the RSPO ASA 1.3 + 1.4 + RC audit, there were no land clearing and new planting activities carried out by the company.

7.6.2

The company carries out replanting by implementing best soil management practices, such as ditching, washing trenches, constructing contour terraces, constructing contour roads as stated in the Minutes of Replanting Work Inspection document, namely:

- KULE: Minutes of Work Inspection No.025/CEO Sumut-LOA/VII/2020 dated 22 October 2020, replanting activities in the form of mechanical chipping, mechanical planting holes, contour terraces, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara
- PRNE: Minutes of Work Inspection No.034/PRNE/JKTO/06/2021 dated 30 September 2021, replanting activities in the form of mechanical chipping, mechanical planting holes, contour terraces, contour roads, trenching and trench washing are carried out by PT Surya Baru Prima Nusantara.
- PHLE: Minutes of Work Inspection No.018/PHLE/JKTO04/2022 dated June 10, 2022, replanting activities in the form of mechanical chipping, mechanical planting holes, trenching and trenching were carried out by PT Surya Baru Prima Nusantara.

From the results of the document review and field observations, it is known that the company has implemented soil management principles with best practices when replanting.

7.6.3

Companies show document the long-term suitability of land and oil palm cultivation and identify soils that are classified as marginal and vulnerable, including steep areas through the guidelines contained in semi-detailed land survey reports so that they can be used as references in the construction of drainage channels, roads and other infrastructure, for example semi-detailed land survey reports include:

- PRNE: Semi-detailed Land Suitability Class map with 1:60,000 scale No reg. 1444/214/PMNP/X/2014, has a topographical slope of 3-9%, 9-16%, 16-21%, 21-40%, 40-58%. Land suitability class S2 (adequate) and S3 (marginal appropriate). The replanting activity at PRNE has been completed in 2021, based on the Work Agreement document replanting activities are carried out in areas with a slope of 90 – 220 or 15 – 40% with activity items in the form of chipping, contour terraces, contour roads, 1x1 trench construction, making mechanical planting holes carried out by PT Surya Baru Prima Nusantara.
- ADPE: Semi detailed map No reg. 1427/214/PMNP/X/14 with a scale of 1:50,000, has a topographical slope of 0-3%. Land suitability class N (not suitable). There has been no replanting activity in ADPE.
- PHLE: Semi-detailed land map Land Suitability Class 2014 No reg. 1443/214/PMNP/X/14 with a scale of 1:50,000, has a topographic slope of 0-8%, 8-15% and 15-30%, which means that there is no land with a steep topography. Replanting activities at PHLE were carried out in 2020 and 2022, based on the Minutes of Replanting Work Inspection document dated June 10, 2022, replanting activities in the form of mechanical chipping, mechanical planting holes, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara.
- KULE: Semi-detailed land map No reg. 50/202/PMNP/II/06 dated February 14, 2006 for Divisions 1, 2 & 3 on a scale of 1:40,000, having a topographic slope of 0-8% and 8-15% and Divisions 4 & 5 on a scale of 1:30,000 having a topographic slope of 0 -3%, which means there is no land with a steep topography. Land suitability classes are S2 (adequate), S3 (marginal appropriate) and N (not suitable due to flooding). The replanting work at KULE was carried out in 2020, based on the Minutes of Replanting Work Inspection document dated October 22, 2020, replanting activities in the form of mechanical chipping, mechanical planting holes, contour terraces, trenching and trench washing were carried out by PT Surya Baru Prima Nusantara.

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

Based on document review and interviews with the management, the company is no longer planting new plantations in existing plantation areas or new land clearing.

7.7.2

The company shows the peat area inventory report to the RSPO on April 7, 2020 which explains the area of peatland in the company's

operational areas, where in the report information is obtained that the area of peatland planted is 2,642.8 Ha (KULE = 285.21 Ha, Adipati = 2,357.59 Ha). This is because there is a difference in the area of peat that is embedded in the soil survey document and the Matric Template where the area of peat that is planted is only in the Adipati estate area, which is 2,363.31 Ha.

The company has justified the difference in peat area that occurred, namely the peat inventory data reported for 2019 from the Ministry of Environment and Forestry. However, the company then conducted a re-survey by the company's internal team in December 2021 with the results that the KULE area did not fall into the peat category, thus the area identified as peat was only in the Adipati Estate with a total area of 2,490 Ha with an area of 2,363.31 Ha peat planted (based on December 2021 measurements). The company has an opportunity for improvement related to sending the latest data on the area of peat to the RSPO secretariat. **(OFI)**

7.7.3 & 7.7.4

Based on the semi-detailed soil survey report document, the area included in the peat category is in ADPE covering an area of 2,490 Ha with a topographic slope of 0-3%, with sapric maturity and a depth of > 3 M. ADPE shows the plans and realization of peatland management documents for 2022 that were prepared January 12, 2022 consists of measuring piezometers every month, measuring water levels every month, washing main channels and collection channels every month, closing dams in March-May 2022 and opening dams in August and September 2022.

ADPE also show recorded results of measurements and observations of peatland management in HGU areas where oil palm plantations are being planted, including:

- The company has 11 subsidence stakes (1.1 stakes/240 Ha). Documents on the results of measuring peat soil subsidence which are carried out every month, it is known that the total subsidence of peat soil for the period January 2019 – April 2022 from 11 measuring instruments for measuring soil subsidence, the average peat soil subsidence is 4.5 cm (still below the standard of the Minister of Environment Regulation No. 7 of 2006 which is < 35 cm/5 years).
- Documents of measuring ground water level in May 2022 using a piezometer, namely Division1 the average water level is 32 cm below the ground surface, Division 2 the average water level is 35 cm below the ground surface, Division 3 the average water level is below ground level. the mean water level is 48 cm below ground level and Division 4 has an average water level of 38 cm below ground level. Based on the document review, it is known that the groundwater level for the period of May 2022 is still below the standard damage threshold.

Based on the results of the document review, it is known that the company has documented records of the implementation of planting on peatlands according to procedures and/or laws and regulations.

7.7.5

The company shows the PT SMART Adipati Estate Drainability Assessment report document in 2019 compiled by the Plantation Monitoring and Planning Division. The conclusions from the assessment results are:

- Drainability Assessment activities in ADPE are carried out using an analysis approach to the condition of peat characteristics and drainage/hydrological conditions with the study area.
- Determination of No Replanting Indicator (NRI) is based on 2 classifications, namely:
 - If the No Replanting Indicator value is positive, which means that the drainage limit time is > 40 years, then the study area is allowed to continue replanting activities (Go). This is because the condition of the land and drainage in the study area is estimated to be more than 2 cycles of oil palm planting.
 - If the No Replanting Indicator value is negative, which means that the drainage limit time is 40 years, then the study area is not allowed to continue replanting activities (No Go). This is because the condition of land and drainage in the study area is estimated to be less than 2 cycles of oil palm planting.
- A total of 10 units of replanting area on peat land in ADPE are considered feasible (Go) with a positive No Replanting Indicator with a total area of 2,490 Ha.
- Based on the Drainage Limit Time, projections of the sustainability of replanting activities can be carried out to all the ADPE area.

7.7.6

Based on the semi-detailed soil survey report document, the area that is included in the peat category is in ADPE covering an area of 2,490 Ha with a topographic slope of 0-3%, with sapric maturity and a depth of > 3 M. ADPE shows the plans and realization of peatland management documents for 2022 which were compiled January 12, 2022 consists of measuring piezometers every month, measuring

water level every month, washing main drains and collection drains every month, closing block dams in March-May 2022 and opening block dams in August and September 2022.

ADPE also shows records of the results of measurements and observations of peatland management in HGU areas where oil palm plantations are being carried out, including:

- Documents on the results of peat subsidence measurements carried out every month, it is known that the total subsidence of peat soil for the period January 2019 – April 2022 from 11 measuring instruments for subsidence, the average subsidence of peat soil is 4.5 cm (still below the standard regulation of the Minister of Environment Regulation No. 7 of 2006 i.e. < 35 cm/5 years).
- Documents on the results of measuring ground water levels in May 2022 using a piezometer, namely Division 1 average water level 32 cm below ground level, Division 2 average water level 35 cm below ground level, Division 3 average water level The average water level is 48 cm below ground level and Division 4 has an average water level of 38 cm below ground level. Based on the document review, it is known that the groundwater level for the period of May 2022 is still below the standard damage threshold.

Based on the results of the document review, it is known that the company has documented records of the implementation of planting on peatlands in accordance with procedures and/or laws and regulations.

7.7.7

From the results of field observations, it is known that everything planned has been planted, the areas that were not planted from the start become HCV areas.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The certification unit has a water management plan that is implemented to support efficient use of water sources and continuous availability, through operational procedure documents to control the Protection of River Border Areas with document No. SOP/SPO/SMART/LH-06 dated 1 July 2010, which contains: objectives, scope, references, definitions, duties and responsibilities, and work steps. To avoid negative impacts on other users in the water catchment area, the company carried out activities, including: prohibiting the planting of oil palm on the river border with a width of 50 meters left and right, prohibiting land cultivation on the river border by installing notice boards, constructing boundary roads in managed areas (known as *pringgan*), cultivation without spraying (no spraying) around the river, manual maintenance. Some examples of management and monitoring procedures that the company has, such as:

- Procedures for managing and monitoring water resources with document No. SOP/SMART/BCOS-EHSD/SADV/II/2014 dated July 1, 2014 which was approved by the sustainability head which explains the plan for managing and monitoring water resources, water resources conservation techniques based on the *KepPres* No. 32 tahun 1990, for example planting erosion-reducing plants, manual maintenance of oil palms, outreach activities, and monitoring of water resources.
- Memorandum No. 002/SMD OPS/II/2009 dated January 6, 2009, which explains that in clearing land for new plantings, it is ensured that the watershed is protected by not opening the riverbank area as wide as 50 – 150 meters depending on the size of the river. In that area, a notice board should be installed that the area is a protected watershed area and should not be cultivated. On the border of the managed area with the watershed area, a border road (known as *pringgan* area) should be made.

In its implementation of water management as an effort to support efficient use of water sources and continuous availability, as well as avoiding negative impacts on other users in the water catchment area, the certification unit conducts periodic testing of surface water and groundwater which is carried out and reported every semester, stated in the RKL-RPL report for each unit. For example for the period July-December 2021. Surface water quality testing is carried out by the laboratory which has been accredited by KAN, at several sampling points at PT SMART Tbk, including: Aek Kuo River (the intersection of the Titi Panjang River and the Warijan River), Warijan River / Aek Kuo River, Kampung Selamat River / Titi Panjang River, Watergate Division 1 and 3, Aek Merah River, Parit Busuk River (upstream and downstream). For sampling points at PT MP Leidong West, including: Aek Kanopan Hulu River, Aek Kanopan Hilir River, and Water Gate Division 4 & 5 Sialang Taji.

The test results of PT SMART Tbk and PT MP Leidong West on river water quality with quality standard of PP No. 22, 2021, and groundwater quality testing with the quality standard of *Peraturan Menteri Kesehatan* No. 32, 2017 attachment II regarding the

requirements and monitoring of water quality, it is known that all parameters are still in the applicable quality standards.

Several management activities have been carried out by the company to avoid negative impacts on other users in the water sources area, including:

- Establishment of a riparian buffer zone/river border area with a width of 100 meters and make the area an HCV area
- Enrichment of plant species in river riparian areas, to restore the natural function of the river.
- Not replanting at the 100 meter boundary from the riverbank and marking yellow paint as the limit area for chemical application and conducting routine monitoring to replace or repair damaged marks
- Conduct socialization to the community, employees and contractors in the company area
- Installing information boards for activities limited to HCV areas, such as; prohibition of burning, hunting and maintaining cleanliness
- Periodic monitoring of river riparian areas

The results of interviews with resident in the housing area of Padang Halaban Mill workers revealed that there were no problem with availability of clean water, water was obtained free of charge, with the criteria of being odorless, colorless, and tasteless.

It can be concluded that there is access to clean water for workers and nearby villages, the certification unit carries out water management by monitoring water quality standards on a regular basis, to ensure that there is no contamination of the water used as a result of the activities of the certification unit, and as an efforts of sustainable management of water resources.

7.8.2

Water resource protection carried out at PT SMART Tbk focuses on river borders which are also identified as HCV 4 areas. River border protection efforts refer to the 2014 Sustainability SOP, which aims to:

- Ensure the quality of river water so that it can be used sustainably
- To prevent high erosion and sedimentation

With a management strategy in the form of:

- Establish boundaries with the HCV attributes of environmental services
- Do not apply chemical fertilizers on riverbanks that have been designated as HCV
- Do not jack up natural wood saplings on river borders
- Planting erosion prevention plants on riverbanks to avoid high erosion
- Internal and external socialization (employees, staff, and community) in the scope of the plantation and mill

The company has documents on water management and maintenance of water sources for the period 2021. These include:

1. Report on the Implementation of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RKL) which contains management and monitoring of surface water (rivers) in plantations which are carried out every semester.
2. HCV Management and Monitoring Implementation Report containing management in the Wanijan River and Aek Kanopan River. For example, based on HCV area management and monitoring report, the following activities have been carried out:
 - Set a border with the HCV attribute for Environmental Services with a red cross on the oil palm tree up to 50 meters/ 5th palm tree and create a "spray area boundary".
 - Installation of HCV boundary markers in forested valley areas, river border areas and conservation forests.
 - Prohibition of the application of chemical fertilizers on riverbanks that have been designated as HCVs. Palm oil that is in the "spray area boundary" is maintained manually (chemically free) or by scratching the disc.
 - Prohibition of jacking natural wood saplings on river borders.
 - Planting erosion prevention plants on riverbanks to avoid high erosion
 - Carry out rehabilitation activities for HCV areas at the border to return the river border area to a forested area, with the types of *vertiver grass*, *bamboo*, *guatemalagrass*, etc. For the period of 2021.
 - Carry out rehabilitation plant maintenance carried out and reported by the HCV PIC for each plantation.
 - Conduct direct socialization which is carried out periodically once a year to workers and villages around the plantation
 - Installation of attributes, warnings, and posters in HCV areas, as an indirect means of socialization.
 - Involve the community if there is an environmental conservation program that requires the attention of the surrounding community

Based on the results of field observations in the conservation area, the Wanijan River border (downstream) Block H29 Division 8 and

Wanijan River Border Block H25 Division 8 in Padang Halaban Estate, and the Aek Kanopan river border in Kanopan Ulu Estate have been equipped with spray boundary signs, area boards protected areas, and planting areas of woody plants.

7.8.3

Management of POME from oil palm processing from the Padang Halaban Mill with totaling 6 waste ponds with a multifeeding system that is by feeding simultaneously evenly. Based on these data, and when compared with the responsibility contained in the Permit document from Decree of Labuhanbatu Utara Regent No. 660/277/DLH/2017 indicates that the company has complied with. Before being used, the liquid waste is processed until it reaches the standard for wastewater utilization in oil palm plantations, with pH 6-9 and BOD 5000 mg/l. POME is managed in accordance with applicable national regulations, according KepmenLH No.28 & 29 of 2003 regarding Technical Guidelines for Assessment of Wastewater Utilization from Palm Oil. Wastewater from the WWTP pond outlet is then pumped and used as a designated location for the use of waste water on the ground (Land Application) with 580.80 ha. The application of palm oil mill effluent is carried out with an application dose of 125 m³/ha. This application dose covers the entire liquid waste generated by the factory, so there is no discharge of POME into water bodies

The company can show documents regarding the results of the measurement of the quality of POME, namely the POME Report per quarter and the RKL-RPL Implementation Report per semester which includes the results of the measurement of the quality of POME every month and land application monitoring well. The test is carried out by the KAN accredited laboratory. Based on the analysis of the test document, it shows that all the parameters tested are in accordance with the applicable quality standards (especially for pH and BOD) and for waste water utilization to be applied to land its does not cause pollution to the environment.

7.8.4

The certification unit already has a groundwater utilization permit based on the *Keputusan Gubernur Sumatera Utara tentang Izin Pengusahaan Air Tanah* to PT Sinar Mas Agro Resources and Technology Tbk with No. 546/784; No. 546/776; No. 546/779; No. 546/777; No. 546/780; and No. 546/782 concerning Groundwater Concession Permit (Extension) dated April 1, 2021 which is valid for 3 years from the date. It is explained in the permit that the maximum quota for water intake discharge is 5 liters/second taken from 1 intake location at Padang Halaban Plantation, Aek Kuo District, Labuhanbatu Utara Regency.

The water usage for FFB processing has been monitored and documented. The document of water usage in period of January – December 2021 shown that the water usage ratio in the range of 0.89 m³/ton of FFB, this range is still in accordance with the water quotas that can be utilized 1.41 m³/ton FFB. The unit certification also paid of water usage retribution every month for the entire scope of certification

From the results of management interviews and field observations by virtual to the Water Treatment Plan (WTP) it can be confirmed that the certification unit has replaced the water pipe leading to the reservoir, so that water can be used more efficiently. The flowmeter used is still functioning properly, and the officer responsible for WTP is very understanding about how the WTP works and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

Status: Comply

7.9

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

7.9.1

The unit of certification using of fossil fuels to increase the efficiency and to optimize monitored and renewable energy. This can be proven by recording documents on the application of the use of shells and fiber from the rest of the mill production process as renewable fuel for boiler purposes in 2021.

Based on the results of interviews and document verification, it shows that all solid waste in the form of shells and fiber is used to substitute diesel fuel, this utilized and the usage data recorded in detail and traceable. For example, the company shows data on the use of shells and fiber as a substitute for fossil fuels for the period 2021. From this data, it is known that the company has saved 86.14%, of diesel fuel, of the total diesel that should have been used as much as 1,564,743 liters as evidence of energy efficiency produced from use of renewable energy.

The company has also made efforts to improve the efficiency of the use of fossil fuels in the transportation area (use of vehicles), among others by carrying out regular maintenance to reduce incomplete combustion and analyzing fuel use by selecting efficient transportation routes.

Status: Comply

7.10

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

7.10.1

Certification Unit has been conducted source identification and GHG valuation by doing GHG inventory within the scope of Padang Halaban POM and its supplies based (Adipati Estate, Kanopan Ulu Estate, Padang Halaban Estate, Pernantian Estate, and Normark Estate) monitored through Palm GHG Calculator 4.0 and the summary result reported and accesible to public in RSPO website. The company has identified the significant GHG emissions, including: land used change, POME processing, used of fertilizers and pesticides, used of fossil fuels for operations and transportation.

Also made several mitigation plans to control the impact among GHG emission, such as: the right dose of fertilizer use and application as recommended, reduction of reuse and recycling actions, restrictions on electricity use, transportation and machine maintenance, and periodic air quality tests.

Reduction of fossil fuels at Padang Halaban POM has been implemented by using fiber and shells. The company also uses POME with test results from the monitoring, showing that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it is found that accurate data have been entered into the RSPO palm oil GHG Calculator. GHG calculation using palm GHG Calculator 4.0. The summary of GHG emissions for the period January - December 2020 and 2021, is listed as follows:

Padang Halaban POM - 2020

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	2.32	tCO ₂ e/tProduct	Oil palm planted on mineral soil	14,220.12	Ha
PK	2.32	tCO ₂ e/tProduct	Oil palm planted area on peat	2,275.58	Ha
PKO	0.00	tCO ₂ e/tProduct	Total oil palm planted area	16,495.70	Ha
PKE	0.00	tCO ₂ e/tProduct	Conservation area (Forested)	0.00	Ha
OER	22.65	%	Conservation area (non-Forested)	569.83	Ha
KER	6.05	%	FFB Production per hectare	18.41	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	59,538.18	0.20	PK from own mill	0.00
Fuel Consumption	737.47	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	60,275.66	0.20		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO ₂ e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	80,542.11	16,205.06	0.00	96,747.17
CO ₂ Emissions from Fertilizer	7,520.14	1,751.82	0.00	9,271.96
N ₂ O Emissions from Peat	0.00	0.00	0.00	0.00

N2O Emissions from Fertilizer	5,732.11	1,455.32	0.00	7,187.42
Fuel Consumption	1,050.28	0.00	0.00	1,135.16
Peat Oxidation	126,542.05	0.46	0.00	126,542.05
Sinks				
Crop Sequestration	-82,146.85	-17,194.51	0.00	-99,341.36
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	139,239.83	2,302.58	0.00	141,542.40

Palm Oli Mill Effluent Treatment

POME Treatment	Unit	Value
POME Diverted to Compost	%	0
POME Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0

*POME is processed in WWTP

Padang Halaban POM - 2021

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	2.95	tCO ₂ e/tProduct	Oil palm planted on mineral soil	14,216.58	Ha
PK	2.95	tCO ₂ e/tProduct	Oil palm planted area on peat	2,279.12	Ha
PKO	0.00	tCO ₂ e/tProduct	Total oil palm planted area	16,495.70	Ha
PKE	0.00	tCO ₂ e/tProduct	Conservation area (Forested)	0.00	Ha
OER	22.93	%	Conservation area (non-Forested)	569.69	Ha
KER	6.17	%	FFB Production per hectare	18.41	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂	tCO ₂ e/t FFB	Emission Source	tCO ₂ e
POME	55,309.46	0.20	PK from own mill	0.00
Fuel Consumption	782.16	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
Total	56,091.62	0.20		

Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	115,714.30	0.00	0.00	115,714.30
CO2 Emissions from Fertilizer	42,662.38	0.00	0.00	42,662.38
N2O Emissions from Peat	17,060.95	0.00	0.00	17,060.95
N2O Emissions from Fertilizer	12,223.17	0.00	0.00	12,223.17
Fuel Consumption	482.98	0.00	0.00	482.98
Peat Oxidation	124,439.96	0.00	0.00	124,439.96
Sinks				
Crop Sequestration	-126,758.85	0.00	0.00	-126,758.85
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	185,824.88	0.00	0.00	185,824.88

Palm Oli Mill Effluent Treatment

POME Treatment	Unit	Value
POME Diverted to Compost	%	0
POME Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0

**POME is processed in WWTP*

7.10.2

Based on the results of the document review, it was found that there were no new plantings at unit certification and that only replanting activities had been carried out since 2015.

7.10.3

The company has identified source of waste pollution and emissions from Estate and Mill activities for the period 2021. Sighted the result of identification of emissions and pollution as well as its sources, such as in estate emissions sources are from fossil fuel usage for transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and WWTP. In addition, the company also conducts tests related to odor and vibration tests in work and residential areas.

Fossil fuel reducing have been implemented on Padang Halaban POM by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from Estate and Mill was done periodically and comply with the standards quality, it's covered on RKL/RPL implementation report and reported to Environmental Agency of Labuhanbatu Selatan Regency. Therefore, it can concluded that the plans to reduce or minimize the pollutants are implemented and monitored well by management.

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 document review and interviews with the company's management, it is known that the company has a policy stated in the procedure document regarding land clearing without burning, through the Procedures in the Technical Guidelines for Land Preparation dan Land Fire Handling with No. SOP/NP/SMART/XI/L-H002 which was legalized on July 1, 2010 by the Division Head of SMARTRI.

This procedure includes efforts to identify, prevent and overcome the danger of land fires in the plantation area (reference: Technical guidelines for oil palm cultivation. Indonesian Government Regulation No. 4 of 2001 concerning "Control of Environmental Damage and/or Pollution related to Forest and/or Land fires). The goal is to;

- Anticipating and handling land fires quickly and accurately.
- The basis for determining the system for handling and overcoming the danger of land fires.
- Formation of a land fire prevention and control team referring to the SOP for Handling Emergency Conditions.

Regarding procedures for handling work accidents and fire emergency response, the company also has SOP for Emergency Response No. SOP/SMART/GENERAL/SADV/II/005 was approved by the Head of Upstream on July 01, 2014, discussing the identified emergency response conditions including fires, land fires, explosions, pollution, natural disasters, riots, demonstrations, work accidents. Broadly speaking, the SOP contains the definition of an emergency and the emergency response team, the flow of reporting in the event of an emergency, the duties and responsibilities of the emergency response team, planning and handling actions in the event of an emergency, and recovery due to an emergency.

The certification unit did not clear new land after 2015, from interviews with management it was found that land clearing was done mechanically. From the results of the field visit in replanting area at the Padang Halaban Estate, no burnt areas were found.

7.11.2

The unit of certification has established fire prevention and control measures for the lands it manages directly by showing evidence that there are land fire prevention and control activities, which include;

- The existence of document procedure for land fire control No.SOP/SMART/UMUM/SADV/II/005
- There is a trained fire team, for example; *Struktur Organisasi Penanggulangan Kebakaran Hutan dan Lahan* (KARHUTLA) in document No. F/SMART/GENERAL/SADV/005/001. The organizational structure of the firefighting team, set on January 28, 2022 with a total member of 29 people.
- Socialization of land fire prevention, example in Kanopan Ulu Estate on 24 January 2022, attend by 10 people, 20 January 2022 attend by 18 people and 16 March 2022, attend by 20 people.
- Conducting patrols/monitoring of fire-prone areas (hotspots)
- The company has carried out emergency and fire simulations, for example: emergency response, for example on 22-24 April 2019 attend by 35 people from PT SMART Tbk, PT Tapian Nadenggan, PT MP Leidong West Indonesia, dan PT Satya Kisma Usaha with Manggala Agni Daops Labuhanbatu, and simulation of fire emergency response at Langga Payung Estate on March 23, 2021, attended by 32 people
- Monitoring of firefighting equipment on a monthly basis
- Monitoring of powder, foam and CO² fire extinguishers in the plantations and factories regularly every month, with the results of installation and inspection at locations that are ready for use.
- Monitoring of hydrant installations at LPYM at WTP stations with actual conditions (firefighting electrical panels, diesel pumps, starting engines, hydrant pillars and boxes, hydrant pipes)

The company can show a recording of the implementation of fire monitoring in the fire patrol monitoring form document in 2021. The results of the inspection of the document revealed that there were no fire incidents in the company's operational areas, this was reinforced by the results of interviews with the Labuanbatu Utara Regency Agriculture Office that there were no fire incidents for two last year. In addition, as an effort to prevent fires, the unit of certification also puts up warnings related to fires, prohibits burning garbage and so on. And it's reported by PT SMART Tbk Land Fire Management Report document for the 2nd Semester which is submitted to the Minister of Agriculture of Padang Lawas Utara Regency on 23 February 2022.

7.11.3

The unit certification also involves the community in monitoring fire prevention as a preventive and control measure, namely with the *Masyarakat Siaga Api* (MSA), which examples are shown through;

- Perkebunan Kanopan Ulu Village Head Decree No. 141/41/KU/III/2022 concerning the Appointment of the Management of the Masyarakat Siaga Api Volunteer Team in Perkebunan Kanopan Ulu Village on March 25, 2022, for 9 names of representatives of members from the Perkebunan Kanopan Ulu village community.
- Belongkut Village Head Decree No. 2033/204/KD/2022 concerning the Appointment of the Management of the *Masyarakat Siaga Api* (MSA) at the Office of the Head of Belongkut Village, Marbau District in 2022, on March 28, 2022, for 7 names of member representatives from the Belongkut Village community.

Status: Comply

7.12

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

7.12.1; 7.12.8

GAR-SMART as the parent of PT SMART Tbk and PT MP Leidong West Indonesia has reported liability data and zero liability disclosure via email to RSPO on 22 August 2019. Based on this data, it is known that unit of certification has not cleared any new land since November 2005 without prior HCV identification activities. HCV identification activities at PT SMART Tbk and PT MP LWI were carried out in 2011. Based on document verification and interview with the management sighted that PT SMART and PT MP LWI was Dutch Colonial Heritage Estate. Up to recertification assessment there was no expansion of the operational area carried out by the company.

7.12.2

The unit of certification has identified protected areas and high conservation value areas. The identification results are listed in the HCV Assessment report as follows;

PT SMART Tbk (Padang Halaban Estate, Adipati Estate, dan Pernantian Estate)

Report on Identification of High Conservation Values (HCV) in the PT SMART Tbk (Labuan Batu Regency, North Sumatra, 2011 by the

PT SMART Tbk Environmental Department's, HCV Identification Team. Internal HCV assessment team). The assessment team consists of 6 people with Lead Assessors approved by the RSPO, the assessment was carried out using the assessment guidelines issued by the Indonesian HCV toolkit consortium, June 2008. With a total conservation area of 399.25 ha. The condition of land cover in PT SMART's oil palm plantation area is dominated by *paku-pakuan* (Pteridophyta), *rumput-rumputan* (Poaceae), *Teki-teki* (Cyperaceae), *Perambat* (Climbers), *Perdu/semak* (Shrubs) and *Herba* (Herbs). All of indicates HCV areas was mapped by 1:40.000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species, with details;

HCV Type	Area Description	Area	Location
HCV 1.2	Protected and endangered species; <ul style="list-style-type: none"> Cekakak Belukar (<i>Halycon Smyrensis</i>) Kuntul Kerbau (<i>Bubulcus Ibis</i>) Macan Akar (<i>Felis Bangalensis</i>) Kantong Semar (<i>Nephentes</i>) 		All Estate
HCV 1.3	The Habitat of the Kantong Semar Population	177.86 ha (actual 11.72 ha)	ADPE (Block E48 Division 3)
HCV 1.1;4.1	Warijan River and Titi Panjang River	96.15	PHLE
HCV 1.1;4.1	Merah River dan Parit Busuk River	65.24	PRNE
HCV 6	Cemetery	0.003	PHLE and PRNE
Total		399.25	

PT MP Leidong West Indonesia (Kanopan Ulu Estate)

Report on Identification of High Conservation Values (HCV) in the Kanopan Ulu Estate unit area of PT MP Leidong West Indonesia (Kanopan Ulu Plantation Village, Kualuh Hulu District, North Labuhanbatu Regency) prepared by the HCV Dept. Environment of PT SMART Tbk in 2011. With an area of 2,195.1 Ha which is presented in a 1:100,000 map, the plant species in the Kanopan Ulu Estate plantation area are shrubs and oil palm cultivation. The total conservation area is 4.75 ha, with details;

HCV Type	Area Description	Area	Location
HCV 1.2	Protected and endangered species; <ul style="list-style-type: none"> Cekakak Belukar (<i>Halycon Smyrensis</i>) Macan Akar (<i>Felis Bangalensis</i>) 	-	KULE
HCV 4.1	Kanopan River	3.75 ha	KULE
HCV 6	Blok A-08, B-20, C-01	1.00 ha	KULE
Total		4.75 ha	

The company has the list of endanger species based on Government Regulation No. 7 Year 1999, CITES and IUCN in term of preservation for flora and fauna on unit certification area. For example, the wildlife found were *Cekakak belukar* (*Halcyon smyrnensis*) and *Macan Akar* (*Felis bengalensis*), it's were not incorporated on the list of rare, threatened or endanger species (RTE). Meanwhile, there was no endangered flora.

Based on the results of the document review and interview with management, it was found that there were no new clearing at unit of certification since 15 November 2018, so HCS is not applicable.

7.12.3

Indicator 7.12.3 currently irrelevant to Indonesia, until further decisions from the RSPO.

7.12.4

The unit of certification has carried out activities in order to maintain protected areas and High Conservation Values which can be shown in Report on Management and Monitoring High Conservation Values which can be shown in the following documents;

PT SMART Tbk (Padang Halaban Estate, Adipati Estate, and Pernantian Estate)

Report on the Implementation of Management and Monitoring of PT SMART Tbk High Conservation Value Areas for the period 2021, that has been in line with its planning and reviewed periodically by management by involving relevant stakeholders, several activities including;

- Management of HCV Areas; Setting the HCV Boundary Pal and other HCV Attributes
Direct and indirect socialization, for example; **PHLE** (Estate staff: September 9, 2021; Estate Employees: February 17, 2021; Mill Staff and Employees: March 15, 2021; Village around the estate: July 17, 2021), **ADPE** (Mill Staff and Employees: March

16, 2021; Estate Staff and Employees: 26 January – 1 April 2021; Village around the estate: April 6, 2021), and **PRNE** (Estate and Mill Staff: May 20, 2021; Estate and Mill Employees: May 21, 2021; Village around the estate: May 20, 2021)

- Communication and consultation, to NGO stakeholders such as OFI (Orangutan Foundation International), PT Ekologika Consultant, TFT (The Forest Trust), ZSL (Zoo Society of London), and BICONS (Biodiversity and Conservation), and academics.
- Water Resources Protection, referring to the 2014 Sustainability SOP
 - Set the boundaries of rivers and springs with HCV attributes
 - Do not apply chemical fertilizers on river and spring borders that have been designated as HCV
 - Do not jack natural wood saplings on river borders
 - Carry out rehabilitation efforts by planting erosion prevention plants on the riverbanks to avoid high erosion, namely *vertiver grass*.
- Invasive Species Control. Throughout 2021 there were no identified HCV areas disturbed by invasive species. Invasive species such as *mukuna* and *legumes* are plants grown by the management unit for agronomic purposes so that they are always controlled with routine agronomic activities.
- Agreements with the Community, support and participation in protecting and maintaining the presence of HCV areas. PT. SMART Tbk, North Sumatra Region has an agreement document with the surrounding village communities on;
 - In 2020, ADPE with Belongkut Village, Bulungihit Village, Siparepare Tengah Village, Pulo Bargot Village and Tubiran Village
 - In 2020, PHLE with Aek Korsik Village and Purworejo Village.
 - In 2020, PRNE with Sei Raja Village, Pernantian Village and Simpang Marbau Village
- Strategic HCV Monitoring
 - Monitoring of Land Cover Changes. Based on the 2021 land cover monitoring data by the PMNP mapping team, which is carried out annually, it was informed that in PT SMART Tbk, North Sumatra Region, no clearing or land cover changes were detected in the identified HCV areas.
 - Wildlife and plant monitoring
 - Monitoring of Water Resources
 - Erosion Monitoring
 - Rehabilitation Monitoring
 - Socio-Cultural Monitoring
- Threat Monitoring and Response

Based on patrol data, it is known that throughout 2021 there were no disturbance activities to land cover and disturbance to the ecosystem of the HCV area identified in the PT SMART Tbk HCV Identification Report, Region North Sumatra.

PT MP Leidong West Indonesia (Kanopan Ulu Estate)

Report on the Implementation of Management and Monitoring of High Conservation Value (HCV) Areas of PT MP Leidong West Indonesia – Kanopan Ulu Estate for the 2021 period, that has been in line with its planning and reviewed periodically by management by involving relevant stakeholders, several activities including:

- Installation of HCV warnings and attributes
- Internal and external socialization
- Routine patrols and monitoring
- Socialization to contractors to leave palm trees along riverbanks when planting blocks are replanted
- Maintaining the condition of the area in the river border area so that it can maintain its function as a water provider and flood control, by
 - Maintaining the condition and area of the river border as wide as 50 meters
 - Maintain the condition of the plants that make up the river border so that they can store and absorb water optimally, and can be flood controllers
 - Protecting river borders so that they are not toppled during oil palm replanting
 - Manual maintenance of palm tree plantations in river riparian areas
 - Planting erosion-repelling plants in river border areas
 - Regular patrols and monitoring
- Threat management (internal and external) and response
 - Internal; Destruction of animal habitat, Loss of habitat due to oil palm rejuvenation that exceeds river boundaries, and Uprooting of oil palm trees on riverbanks when planting blocks are carried out (replanting)
 - External; Illegal hunting and encroachment by the community
- Strategic Monitoring; includes monitoring of animals and plants in and around the estate area, monitoring the function of rivers,

controlling soil erosion and providing water sources for downstream communities.

Periodically every year, the company also has a report on the Implementation, Management and Monitoring of High Conservation Value Areas which also discusses the results of monitoring (field observations) of plant and animal species to the BKSDA North Sumatera Province.

Based on the results of field observations in the HCV area at Kanopan Ulu Estate in the Aek Kanopan river border area in Block A21 Division 1, and at Padang Halaban Estate on the Wanijan River border Division 8 Block H25 and H29 (downstream), and Titi Panjang River Border in Division 7 Block G27 (downstream) it can be seen that there are information signs for HCV areas, protected fauna, coordinates and types of HCVs, there are spray boundary boards placed on either side of the river, chemical application limits in the form of red cross marks on five palm trees located along the riverbank, no traces of chemical application were found, no replanting in the HCV area, *vertiver grass*, *gueatemala grass*, and local plants.

7.12.5

Based on the results of the document review and interview with management, it was found that there were no new clearing at unit certification since 15 November 2018. The oldest planting year was 1992, currently in the replanting period.

7.12.6

The company has a SOP for Management and Monitoring of High Conservation Values (Dok. No. SOP/SMART/BCOS-EHSD/SADV/I/002, dated July 1, 2014). The SOP aims to ensure that all management and monitoring activities of High Conservation Values also discuss the protection of rare and endangered wildlife. And the policy document for the Protection of Rare And Endangered Wildlife on June 25, 2015 which was legalized by the President Director of PT SMART Tbk. The protective measures set by the company are as follows:

- The company is committed to protecting and prohibiting the hunting of all types of wild animals that are included in the criteria for rare and endangered species that are in the plantation area
- The company will carry out continuous socialization and training activities on the protection of rare and endangered wild animals and their habitats to employees of contractor companies as well as to the community and other relevant stakeholders around the company.
- The company will investigate every case of violation and impose strict disciplinary sanctions (up to layoffs) to company employees who commit acts of hunting, maintaining, injuring, harming and killing endangered and endangered wildlife.
- For the handling of rare and endangered wildlife both inside and around its concession area, the company will cooperate with government agencies or related competent institutions
- The company is committed to evaluating and reporting on the company's performance based on this policy on a regular and open basis through the website and the company's annual sustainability report and continuously involving key stakeholders in the palm oil industry.

The certification unit has a flora and fauna identification document prior to plantation business and a flora and fauna monitoring program that is scheduled annually to update species data found in the company area using the latest protection regulations, namely Permen LHK Number 106 of 2018. This report is submitted to the institution that handles conservation and protection of plants and wild animals on a regular basis in *Laporan Pelaksanaan Pengelolaan dan Pemantauan Kawasan Bernilai Konservasi Tinggi* which including the results of species monitoring and observations.

Based on *Laporan Identifikasi Kawasan Lindung* PT SMART Tbk (Padang Halaban Estate, Adipati Estate, dan Pernantian Estate) in 2021, the results of the identification of flora and fauna within the company's area include:

- **Flora:** Consists of 10 identified plant species, such as *Paku-pakuan (Stenochlaena Palustris)*, *Semak (Lantana Camara)*, *Tekitekian (Cyperus Rotondus)*, with protected species is *Kantong Semar (Nepenthes, sp)*
- **Fauna:**
 - Mammals, identified 3 types, example; Tupai (*Calosciurus Notatus*), Macan Akar (*Felis Viverrinus*), Kera Ekor Panjang (*Macaca Fasciculais*)
 - Reptiles, identified 3 types, including; Ongkang Kolam (*Hylarana Erythrea*), Biawak (*Varanus Salvator*), dan Kadal (*Eutropis Multifasciata*)
 - Aves, 3 species are identified as protected, including; *Cekakak (Halycon Smymensis)*, *Buffalo Egret (Bubulcus Ibis)*, *Rat Eagle (Elanus Caeruleus)*, and *King Shrimp (Alcedo Meninting)*

Based on *Laporan Identifikasi Kawasan Lindung* PT MP Leidong West Indonesia (Kanopan Ulu Estate) in 2021, the results of the identification of flora and fauna within the company's are, using the latest protection regulations, namely Permen LHK Number 106 of 2018 which are within the company's area, including:

- **Flora:** *Jambu-Jambu, Waru, Plangas, Cempedak Hutan (Artocarpus), Laban (Vitex), Beringin (Ficus) Rasak (Vetica Rasak), dan Kantong Semar (Nepenthes)*
- **Fauna:**
 - Mammals, identified 6 types, example; *Monyet Ekor Panjang (Macaca Fascicularis), Babi (Susbarbatus), Tupai (Lariscus insignis), and Macan Akar (Felis bengalensis)*
 - Reptilia (3 types), including; *Biawak (Varanus salvator), Ular Jail (Ptyas korros), dan Ular Sanca (Phyton curtus)*
 - Burung (15 types), diantaranya; *Burung Hantu (Tyto alba), Gelatik Batu (Parus major), Kipasan (Rhipidura sp), etc*

The company has a report on the existence of priority plants and animals which is submitted to the institution that handles conservation and protection of wild plants and animals on a regular basis every year as evidenced in the Report on the Implementation of Management and Monitoring of High Conservation Value Areas which also discusses the results of monitoring (field observations) of the species. plants and animals for the period of 2021 which are reported periodically to the BKSDA of North Sumatra Province.

Based on the results of interviews with representatives of the village community, it is known that the community understands the existence of the HCV area and the presence of flora and fauna in the company area. The village community understands that the company protects the HCV area also for flora & fauna, and is aware of the protected fauna species, prohibitions on hunting, logging and burning forests. Respondents added that in addition to direct socialization, the company also installed warning boards or signboards marking HCV areas as well as prohibitions on environmental destruction which were an indirect form of socialization. Based on this explanation, it can be concluded that the company already has a plan and evidence of the implementation of socialization and is known by the surrounding community.

7.12.7

Companies can show records of HCV management carried out in the period 2022. The results of the monitoring are used for follow-up improvements to the management plan, for example:

- Record of HCV Patrol Report with document No. F/SMART/BCOS-EHSD/SADV/002/014
- Record of HCV Attribute Monitoring Report (sign board, spray limit sign, HCV stake) with document No. F/SMART/BCOS-EHSD/SADV/002/019
- Records of Maintenance for the Rehabilitation of HCV Areas for *vertiver grass, Tanjung, Mahoni* and *Ketapang* with document No.F/SMART/BCOS-EHSD/SADV/002/013
- Monitoring Records of Animal and Plant Species (primer and secondary) with document No.F/SMART/BCOS-EHSD/SADV/002/021
- Rehabilitation Plan of HCV areas. For the period of 2022 in Padang Halaban Estate; in H25, G24, G30 with plantation target 180 trees.

The certification unit has a continuous action to improve the management plan resulting from the report on Identification of High Conservation Values (HCV) document as an effort to improve the quality of HCV management and monitoring activities in accordance with the recommendations, including by:

- Make documentation of each management and monitoring activity as evidence of activities and complement the reporting file.
- Conduct more intense monitoring of species from the class of mammals, reptiles and amphibians so as to allow for additional species.
- Repair damaged attributes in accordance with the existing management plan, because some attribute locations have started to break down.
- For invasive species (leguminous plants) in the HCV area there must be a report on the exotic plant inventory, accompanied by documentation. If there are no exotic plants in the HCV area, an inventory report must still be made.
- Provide socialization and direct monitoring of replanting activities in blocks where rivers are included in HCVs

The HCV management activities that taken by the company has been implemented describe in HCV management & monitoring plan period 2021 consist of maintaining HCV attributes, socialization regular patrols, species monitoring, and enrichment in riparian. HCV monitoring is

periodically evaluated by certification every 5 years by management and involving relevant stakeholders and is used as a reference as a management plan for HCV management. The management plan is implemented effectively based on the results of monitoring from the previous period.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or √
ASA-1.4 + RC	The company does not use RSPO logo.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
ASA-1.4 + RC	The company does not use RSPO logo.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA-1.4 + RC	The company does not use RSPO logo.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA-1.4 + RC	The company does not use RSPO logo.	√
	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 14 June 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 are 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 are 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:</p> <p>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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> 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 10. PT Kresna Duta Agroindo – Gunung Kombeng Mill: Compliance Audit 15 February 2021 11. PT Sawit Mas Sejahtera – Sungai Kikim Mill: <i>Setup System</i>. Compliance Audit 20 September 2021 12. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 25 October 2021. 13. PT Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 6 December 2021 14. PT Bangun Nusa Mandiri – Kenari Mill: Compliance Audit 4 October 2021. 15. PT Agrolestari Sentosa – Jalemo Mill: Compliance Audit 11 October 2021 16. PT Adi Tunggal Mahajaya – Sako Mill: Compliance Audit 8 November 2021. <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.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>11. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) compliance audit on 20 September 2021.</p> <p>12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) compliance audit on 25 October 2021.</p> <p>13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) compliance audit on 6 December 2021.</p> <p>14. PT Bangun Nusa Mandiri (Kenari Mill and supply base) compliance audit on 4 October 2021.</p> <p>15. PT Agro Lestari Sentosa (Jalemo Mill and supply base) compliance audit on 11 October 2021.</p> <p>16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 8 November 2021.</p> <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> <p>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.</p> <p>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.</p> <p>3. PT Rimbaraya Tamajaya: Sungai Pahu Estate and Sungai Pahu KKPA with an internal audit plan on 17 May 2022.</p> <p>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.</p> <p>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.</p> <p>6. PT Kharisma Riau Sentosa Prima: Kharisma Estate and Kharisma KKPA which will be the supply base of Bumipalma Mill (PT Bumipalma LestariPersada) that has been certified with an internal audit plan on 8 August 2022.</p> <p>7. PT Mitra Nusa Permata: Sungai Manunggal Estate which will be the supply base of Sungai Magalau Mill (PT Sinar</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Kencana Inti Perkasa) with an internal audit plan on 7 November 2022.</p> <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> <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</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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 <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>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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:</p> <p>Based on auditor verification, not all uncertified unit conduct new clearing after Nov 2005, but for uncertified unit with land clearing 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.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>3. PT Sumber Indah Perkasa – Papua (Mambruk 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.</p> <p>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</p> <p>5. PT Kartika Prima Cipta – Kalimantan Barat (Muara Tawang Estate), the LUCA report which is still in the RSPO review process.</p> <p>6. PT Agrolestari Mandiri – Kalimantan Barat (Pekawai Mill and supply bases), the LUCA report which is still in the RSPO review process.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>13. PT Aditunggal 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>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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 (Sajiri 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: 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 Aditunggal 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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>12. PT Bangun Nusa Mandiri – Kalimantan Barat</p> <p>13. PT Kartika Prima Cipta – Kalimantan Barat</p> <p>14. PT Kencana Graha Permai – Kalimantan Barat</p> <p>15. PT Cahaya Nusagemilang – Kalimantan Barat</p> <p>Auditor Verification:</p> <p>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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>supply base): NPP on 8 July 2014.</p> <p>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.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><i>Company Group/Holding Statement:</i></p> <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 dates 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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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.</p> <p>3. Complaint on 19 October 2018 to GAR (Kapuas Hulu Region, West Kalimantan) from the Forest Peoples Program (FPP) & Transformasi Untuk Keadilan – Indonesia (TUK-I) regarding legality. On 26 August 2021, the RSPO 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</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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 Binasawit 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) 12. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 13. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) 14. PT Bangun Nusa Mandiri (Kenari Mill and supply base) 15. PT Agro Lestari Sentosa (Jalemo Mill and supply base) 16. PT Adi Tunggal Mahajaya (Sako Mill and supply base) 17. PT Kruing Lestari Jaya (Sungai Perak Mill, Sungai Perak Estate, Sungai Basung Estate, Sungai Pikan Estate, Sungai Pilos Estate and Sungai Pikan KKPA) 18. PT Harapan Rimba Raya (Sungai Kedang Mill, Sungai Kedang Estate, Sungai Tohan Estate, Kedang Pahu Estate, Sungai Tohan KKPA). 19. PT Rimbaraya Tamajaya (Sungai Pahu Estate and Sungai Pahu KKPA), which will be supply base for Sungai Kedang Mill. 20. PT Agrolestari Subur Sejahtera: Bukit Permai Estate which will be the supply base of Bukit Perak Mill that has been certified 21. PT Agrolestari Hijau Sentosa: Bukit Lestari Estate which will be the supply base of Bukit Perak Mill that has been certified

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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> <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</p>

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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 (Ujung Tanjung 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) <p>Beside that, there are some units still on process the land certificate (SHM) consists of:</p> <ol style="list-style-type: none"> 1. PT Kresna Duta Agroindo – Gunung Kombeng Mill (Gunung Kombeng Plasma)

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ol style="list-style-type: none"> 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 (Bellian 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 is 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 is 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 is 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 community's plantation.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ul style="list-style-type: none"> - 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) - 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 Ujung Tanjung Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha) - PT Ivo Mas 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.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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.</p> <p>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.</p> <p>7. PT Mitra Nusa Permata: Sungai Manunggul Estate which will be supply base for Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa).</p> <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> <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)

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>13. PT Paramitra Internusa Pratama (Belian Plasma) 14. PT Paramitra Internusa Pratama (Muara Tawang KKPA) 15. PT Paramitra Internusa Pratama (Kpuas 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> <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

NCR No.	:	2019.01	Issued by	:	Other CB
Date Issued	:	09 July 2019	Time Limit	:	Next surveillance
NC Grade	:	Minor	Date of Closing	:	02 September 2019
Standard Ref. & Requirement	:	2.1.3. A mechanism for ensuring compliance shall be implemented.			
Evidence observed (filled by auditor): Based on document review from 4 FFB suppliers (PHLE, PRNE, KULE and ADPE), Pernantian Estate (PRNE) and Adipati Estate (ADPE) have not been able to show proof of receipt of the reporting system, facilities, fire control of plantation land.					
Non-Conformance Description (filled by auditor): The company has not been optimal in implementing a mechanism for compliance to regulations.					
Root Cause Analysis (filled by organization audited): Lack of knowledge overall related to all clauses in the Permentan No. 5/2018 from Safety Officer that fire control report of plantation must be reported to local government (Plantation Agency).					
Correction (filled by organization audited): Fire control report of plantation land to the local government has been submitted to Plantation Agency - Labuan Batu Regency and Plantation Agency – North Sumatera date on 6 July 2019.					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - SPO Region conducts socialization related to reporting mechanism in accordance with Permentan No. 5/2018 to Safety Officer. - SPO Officer adds fire control reporting to the periodic information list. 					
Assessor Evaluation and Conclusion (filled by auditor): 9 November 2020 During remote audit, the certification unit was showing fire control report to the relevant agencies, for example from PRNE to the Plantation Agency of Labuhan Batu Utara dated 10 July 2020; PHLE dated 28 August 2020; KULE dated 21 February 2020; and ADPE dated 28 August 2020. Based on above explanation, sighted that the certification unit still consistence to report the fire control report. Status: Closed					
Verified by	:	Trismadi N			

NCR No.	:	2019.02	Issued by	:	Other CB
Date Issued	:	09 July 2019	Time Limit	:	7 October 2020

NC Grade	:	Recurrence Minor Upgrade to Major	Date of Closing	:	02 September 2019
Standard Ref. & Requirement	:	6.2.3. The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.			
Evidence observed (filled by auditor): Stakeholders list was not updated.					
Non-Conformance Description (filled by auditor): Stakeholders list in KULE does not contain Kadus Pulodogom Village and Community who cultivate on HGU areas in Division 4 and 5.					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">Lack of monitoring from SPO Officer and Estate Manager for updating name of sub-village head (Kadus) in accordance with the Stakeholder Engagement Procedure No. SOP/SMART/SENS- CSRD/SADV/I/001 point 2.2.7.Lack of knowledge from SPO Officer that community who cultivate on HGU areas must be included the company's stakeholder.					
Correction (filled by organization audited): Updating the stakeholders list including Kadus Pulodogom Village and Community who cultivate on HGU areas in Division 4 and 5 from 1 farmer to 6 farmers date on 6 July 2019.					
Corrective Action (filled by organization audited): <ul style="list-style-type: none">Monitoring of stakeholders updating every 3 month through telephone or directly visit to stakeholder by SPO Officer, reported to Estate Manager, and reviewed by SPO Region.PCDV - Jakarta Head Office will review the stakeholders updating at the time of annually monitoring.					
Assessor Evaluation and Conclusion (filled by auditor): September 2, 2020. Verified through documents review for: <ul style="list-style-type: none">Stakeholders list was updated date on 6 July 2019, including Kadus Pulodogom Village and Community who cultivate on HGU areas in Division 4 and 5 from 1 farmer to 6 farmers.Minutes of meeting date on 10 September 2019 that discuss regarding Monitoring of stakeholders updating is conducted every 3 months in accordance with Stakeholder Engagement Procedure No. SOP/SMART/SENS- CSRD/SADV/I/001 point 2.2.7. Meeting was attended by 10 SPO Officer, included from PHLM, PHLE, ADPE, and KULE.Monitoring schedule for stakeholder updating in 2019. The next monitoring in October 2019.Annually monitoring plan from PCDV - Jakarta Head Office. The next monitoring in June – July 2020. Major NCR #02 closed-out.					
Verified by	:	Other CB			

NCR No.	: 2019.03	Issued by	: Other CB
Date Issued	: 09 July 2019	Time Limit	: Next surveillance
NC Grade	: Minor	Date of Closing	: 02 September 2019
Standard Ref. & Requirement	: 6.8.3 Records of evidence that equal opportunity and treatment for work shall be available		
Evidence observed (filled by auditor): Based on information letter for job vacancies No.27/SPO/KULE/III/2019 on 01 March 2019 and Circular letter for Acceptance and Appointment of Employees Procedure No. 037/HR PSM 01/04/2015 on 01 April 2015, contains maximum limits for age of work acceptance (35 and 45 years old).			
Non-Conformance Description (filled by auditor): The company explicitly state the discriminatory policy during the recruitment selection.			
Root Cause Analysis (filled by organization audited): Estate Manager (KULE) has not known related new policy that age restrictions are not allowed to be included in job information that makes this a form of discrimination.			
Correction (filled by organization audited): The company makes announcement of vacancy admissions by not including a maximum age limit in accordance with the company's policy.			
Corrective Action (filled by organization audited): HR Operational has disseminated the revised policy (Recruitment Policy No. KHI-SMART/001-01 date on 1 March 2018) to All Estate Managers date on 26 August 2019 by email.			
Assessor Evaluation and Conclusion (filled by auditor): 9 November 2020 Based on document verification sighted that the certification unit has socialized the job vacancies to the villagers (Pulo Dogom, Perkebunan Kanopan Ulu, Parpaudangan Villages on 15 July 2019. On that form there are no a maximum age limit. The implementation this socialization, will be verified onsite audit. Closed with observation			
Verified by	: Trismadi N		

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-4 + Re-Certification Assessment

NCR No.	:	-	Issued by	:	-
Date Issued	:	-	Time Limit	:	-
NC Grade	:	-	Date of Closing	:	-
Standard Ref. & Requirement	:	-			
Evidence observed & 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	:	-			

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	3.6.1	<p>All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>Regarding the online news www.kompas86.com/nasional/kecelakaan-kerja-terjadi-di-PKS-pt-SMART-tbk-padang-halaban related to the news of work accidents that occurred in the mill area on May 30, 2022, the company has shown proof of handling steps as follows:</p> <ul style="list-style-type: none"> • Making Minutes of Events • Create accident investigation reports • Follow-up on accident investigations such as: socialization of OHS, Training Log Out Take Out (LOTO), addition of floodlights, ISBPR review, LOTO for each worker, name tag panels, manufacture of engine safety covers. • BPJS payments to victims <p>The company has explained in the ISBPR document related to the operational work of the FFB conveyor, which has an impact on death if it is pinched by the conveyor, the controls carried out by the company include the installation of a safety cover conveyor, installation of OHS warnings, socialization of conveyor operational IK and the use of PPE.</p> <p>Based on observations at PHLM, it is known that the installation of the safety cover conveyor has not been completed, so this is an opportunity for improvement for the company to complete the progress of installing the safety cover conveyor.</p>
2	7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>The company shows the peat area inventory report to the RSPO on April 7, 2020 which explains the area of peatland in the company's operational areas, where in the report information is obtained that the area of peatland planted is 2,642.8 Ha (KULE = 285.21 Ha, Adipati = 2,357.59 Ha). This is because there is a difference in the area of peat that is embedded in the soil survey document and the Matric Template where the area of peat that is planted is only in the Adipati estate area, which is 2,363.31 Ha.</p> <p>The company has justified the difference in peat area that occurred, namely the peat inventory data reported for 2019 from the Ministry of Environment and Forestry. However, the company then conducted a re-survey by the company's internal team in December 2021 with the results that the KULE area did not fall into the peat category, thus the area identified as peat was only in the Adipati Estate with a total area of 2,490 Ha with an area of 2,363.31 Ha peat planted (based on December 2021 measurements). The company has an opportunity for improvement related to sending the latest data on the area of peat to the RSPO secretariat.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	The company's commitment to implementing the principles of sustainable palm oil management.
2	The good cooperation of the Personnel in Charge during the audit activity.
3	The company has received ISCC, ISO 14001: 2015 (Padang Halaban and Pernantian Estate) certificates and ISPO PT Smart Tbk & PT MP Leidong West Indonesia.
4	PT SMART, Tbk has received the Company Performance Rating Program in Environmental Management (PROPER) from the Ministry of Environment and Forestry for the 2018-2019 Period.

3.5 Summary of Arising Issues from Public and Auditor Verification



Public Issues (Institution/ NGO/Community)	Auditor Verification
Land Agency of Labuhanbatu Utara <ul style="list-style-type: none"> No negative issue related to land conflict. Land utilization report done yearly. Land use title still valid. No issue related to land fire. Had good relationship with company. 	No negative issue need to further observation.
Padang Maninjau Village Representative <ul style="list-style-type: none"> Pretty good relationship with the village Many villagers work in the company The company has also helped the community in road repairs Company representative once came if there was an event in the village 	No negative issue need to further observation.
Agricultural Agency of Labuhanbatu Utara Regency Interviewee: Head Plantation <ul style="list-style-type: none"> The company has a good relationship and communication with the Dinas The company always involves the Dinas in every CSR activity the company. The company has routinely submitted mandatory reports to the Dinas During the past year there were no fires in the company area. There are no issues related to the disturbance of plantation business by the community 	There are no negative issues that require further verification.
Environmental Agency of Labuhanbatu Utara Regency Interviewee: Environmental Control <ul style="list-style-type: none"> There is no current environmental issue in the last 2 years There are no complaints from the public regarding environmental pollution Routine surveillance is carried out every quarter, the last is early June 2022 Company participation in the PROPER program in 2021 with a blue rating Regular reporting and no problems Permits (Hazardous waste storage, LA, etc.) are still valid and there are no records of problems Active participation of the company in official activities (either in the form of participation or donations) There is involvement of the service to the company, it can be concluded that the relationship between the service and the company is going well 	There are no negative issues that require further verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Input: increase activities to strengthen the relationship with the community and the service 	
Local Contractor PT Universal Transindo Mas - FFB Transporter <ul style="list-style-type: none"> Contractor activities in the field of FFB transportation at Paya Baung Estate, Langga Payung Estate, and Normark Estate The cooperative relationship with the company is going well. Contractor payments are made on time. PPE is provided by the contractor, in the form of safety helmets and shoes Contractors have enrolled their employees in the BPJS Employment and Health program independently. There were no accidents in the last 2 years, the handling of accidents can be through the nearest clinic or health center The company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members. There are no complaints or suggestions for the company regarding operations 	<p>There are no negative issues that need further verification.</p>
PT Amindi Barokah Sumut – Hazardous and Toxic Waste Transporter <ul style="list-style-type: none"> Contractor activities in the Hazardous and Toxic Waste Transporter The cooperative relationship with the company is going well. Contractor payments are made on time. PPE is provided by the contractor, in the form of safety helmets and shoes Contractors have enrolled their employees in the BPJS Employment and Health program independently. There were no accidents in the last 2 years, the handling of accidents can be through the nearest clinic or health center The company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members. There are no complaints or suggestions for the company regarding operations The cooperation agreement is renewed once a year. 	<p>There are no negative issues that need further verification.</p>
Manpower Agency of Labuhanbatu Utara Regency Interviewee: Head of Gender Committee of PHLE, ADPE, and PRNE	

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Wage is suitable with regional minimum wage of Labuhanbatu Utara Regency of 2022. Workers in company are divided into permanent worker and contract worker/PKWT. All workers have been registered to BPJS <i>Ketenagakerjaan</i> and BPJS <i>Kesehatan</i> including contract status/PKWT. There are no workers under 18 years old. Company has Bipartite Cooperation Institution. There is no negative issue which reported to manpower agency related to labour. 	<p>There are no negative issues that need further verification.</p>
<p>Labor Union of SPSI Interviewee: Head of Labor Union of PHLM, PHLE, PRNE, KULE and ADPE</p> <p>Labor Union have been registered in Manpower Agency of Labuhanbatu Utara Regency. The last meeting between company and the labor union discussed related to employment. Salary implementation is in accordance with the provincial sectoral minimum wage in 2022. In addition, payment of salaries has been in accordance with specified time and through transfer. There are no labor issues.</p>	<p>There are no negative issues that need further verification.</p>
<p>Labor Union of SPMI Interviewee: Head of Labor Union of PHLE, ADPE, and PRNE</p> <p>Labor Union have been registered in Manpower Agency of Labuhanbatu Utara Regency. Salary implementation is in accordance with the provincial sectoral minimum wage in 2022. SPMI has been submitted related to allegation of discrimination of annual bonus to employee. This can be publicly accessed through these pages below:</p> <ul style="list-style-type: none"> https://pojokredaksi.com/6938/pt-smart-tbk-padang-halaban-kabupaten-labuhanbatu-utara-ingkar-janji-terhadap-hak-hak-buruh/ https://www.drberita.com/ekonomi/buruh-minta-rspo-cabut-sertifikat-pt-smart-tbk/all https://www.hariansib.com/detail/Marsipature-Hutanabe/Karyawan-Perkebunan-PT-Smart-Unjuk-Rasa-di-Kantor-DPRD-Labura 	<p>Based on interview with management representatives, annual bonus which has been distributed to employee has been in accordance with agreement between PT Smart Tbk and SPSI. This agreement is a result of long discussion of annual bonus formulation from SPSI from 1980s. PT Smart Tbk has shown documents as follows:</p> <ul style="list-style-type: none"> Agreement on Criteria for Annual Bonus for SKU (Permanent) Employees which was agreed on 7 February 2002. The document contains an agreement between PT Smart Tbk and SPSI regarding the agreement on the annual bonus value for SKU employees based on production results in the North Sumatra Region which is valid from the date of stipulation. Minutes of Bipartite Industrial Relations Dispute Settlement Negotiations on 27 June 2019 signed by representatives of PT Smart TBK and the Chairman of SPMI. Letter No. 297/PHLE/06/2019 dated 28 June 2019 regarding Application for Registration of Industrial Relations Disputes from PT Smart Tbk to the Manpower and Industry Agency of Labuhanbatu

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>Utara Regency.</p> <ul style="list-style-type: none"> • Letter No. 1439-6/DTK/2019 dated 19 September 2019 from Manpower Agency of North Sumatra Province. This letter contains a recommendation that the company PT Smart Tbk give bonuses to everyone without discrimination. • Letter No. 569/2211/DKP-LBU/2019 dated 8 October 2019 regarding a request for direction to Manpower Agency of North Sumatera Province from Manpower and Industry Agency of Labuhanbatu Utara Regency regarding the progress of industrial relations disputes at PT Smart Tbk. • Collective Agreement between PT Smart TBK and the Consulate Branch of the Federation of Indonesian Metal Workers Union (KC-FSPMI) North Sumatra Province dated 4 October 2019. The document states in point 6 that, <i>"The first party (PT Smart Tbk) and the second party (KC FSPMI) agrees and suggests that all industrial relations disputes have been resolved."</i> The document has been signed by HR Ops Head 1 and KC-FSPMI on 6000 stamp duty. • Example of Minutes of Socialization of Freedom to Associate with FSPMI on 15-29 October 2019 to workers of PT Smart Tbk which was attended by 757 participants. • Document of Complaint Against PT Smart Tbk (subsidiary of Golden Agri Resources) on 29 January 2020 from RSPO Complaints Panel which informed that FSPMI has lodged complaint against PT Smart Tbk on 22 April 2019 and was formally accepted on 24 April 2019 by RSPO Complaints Panel. These complaints related to discriminatory acts against labor union member, failed to provide pay slips to workers, forced some workers to work on holidays, and exploitation some its female workers by PT Smart Tbk. RSPO Complaints Panel has taken conclusion that this complaint is now closed due to both parties had agreed to resolve issues raised in the complaint through Bilateral Engagement on 24 June 2019 and had also entered into Bilateral Engagement Agreement on 4 October 2019 to resolve all the allegations above. • <i>Surat No. 174/302/DPRD/2021 tanggal 24 November 2021 dari Dewan Perwakilan Rakyat daerah (DPRD) Kabupaten Labuhanbatu Utara yang menginformasikan bahwa Komisi B DPRD Kabupaten Labuhanbatu Utara menyimpulkan bahwa antara perusahaan dan FSPMI telah dibuat</i>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p><i>Perjanjian Bersama tanggal 4 Oktober 2019 yang disepakati kedua belah pihak bahwa FSPMI mengakui bonus adalah hak prerogatif perusahaan, tidak ada tindakan diskriminasi, dan permasalahan ini sudah selesai terhadap pembayaran bonus di perusahaan.</i></p> <ul style="list-style-type: none"> • Letter No. 174/302/DPRD/2021 dated 24 November 2021 from the Regional House of Representatives (DPRD) of Labuhanbatu Utara Regency which informed that Commission B of DPRD of Labuhanbatu Utara Regency concluded that between the company and FSPMI has already Bilateral Agreement which had been made on 4 October 2019 which was agreed by both parties that FSPMI recognizes that bonuses are the prerogative of the company, there is no discrimination, and this issue has been resolved regarding the payment of bonuses in the company.
<p>Worker Cooperative Interviewee:</p> <ul style="list-style-type: none"> • Representative of Worker Cooperative of KULE • Representative of Worker Cooperative of PHLM <p>Worker cooperatives are engaged in saving and loan business sector. There is mandatory contribution and a regular contribution of Rp 100,000. Worker cooperatives has made member annual meeting and revenue sharing of 2021 in 2022.</p>	<p>There are no negative issues that need further verification.</p>
<p>Gender Committee Interviewee: Head of Gender Committee of KULE</p> <p>Implementation of Gender Committee activities in 2021 including socialization of sexual harassment, women workers rights. Female workers have the right to get menstruation leave (H1) and maternity leave (H2). Gender Committee program in 2022 are socialization of sexual harassment, women workers rights and <i>posyandu</i>. There are no issues related to sexual harassment in 2020-2022.</p>	<p>There are no negative issues that need further verification.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Smart, Tbk Head of Sustainability Management System and Certification Operations Sustainability</p>  <p><u>Yahya Mustakim</u> Friday, 15 July 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Briyogi Shadiwa</u> Friday, 15 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 Communication	Date of Contact	Response	
						Yes	No
1	Agricultural Agency	Labuhanbatu Utara	-	Interview By Phone	June 29, 2022	✓	
2	Environmental Agency	Labuhanbatu Utara	-	Interview By Phone	June 29, 2022	✓	
3	Manpower Agency	Labuhanbatu Utara	-	Interview By Phone	1 July 2022	✓	
4	Gender Committee Head of Gender Committee of KULE	Labuhanbatu Utara	-	Interview By Phone	4 July 2022	✓	
5	Land Agency of Labuhanbatu Utara	Labuhanbatu Utara	-	Interview By Phone	June 29, 2022	✓	
6	Labor Union of <i>SPSI</i> and <i>SPMI</i>	Labuhanbatu Utara	-	Interview By Phone	4 July 2022	✓	
7	Worker Cooperative <ul style="list-style-type: none"> • Representative of Worker Cooperative of KULE • Representative of Worker Cooperative of PHLM 	Labuhanbatu Utara	-	Interview by phone	4 July 2022	✓	
8	Padang Halaban Mill <ul style="list-style-type: none"> • Security: 2 workers • Sorting station: 2 Workers • Sterilizer Station: 1 operator • Press Station: 1 operator • Hosting crane: 1 operator • Boiler Station: 1 operator • Engine Room: 1 operator • Clarification station: 1 operator • Nut & Kernel Station: 1 operator 	PT SMART	-	Direct Interview	July 4, 2022	✓	
9	Padang Halaban Estate <ul style="list-style-type: none"> • Harvester: 4 workers • Pick Loses Fruits 	PT SMART	-	Direct Interview	July 4, 2022	✓	

	worker: 4 workers • Emplacement: 1 resident • Spray Worker: 16 workers • Nursery: 2 workers • Foreman: 1 worker • Maintenance: 2 workers						
10	Pernantian Estate • Harvester: 2 workers • Pick Loses Fruits worker: 2 workers • Emplacement: 1 resident • Spray Worker: 6 workers • Foreman: 1 worker • Maintenance: 2 workers	PT SMART	-	Direct Interview	July 5, 2022	✓	
11	Kanopan Ulu Estate • Harvester: 3 workers • Pick Loses Fruits worker: 3 workers • Spray Worker: 4 workers • Foreman: 1 worker • Maintenance: 2 workers • Warehouse Operator: 1 worker	PT SMART	-	Direct Interview	July 5, 2022	✓	
12	Adi Pati Estate • Harvester: 2 workers • Spray Worker: 5 workers • Manual Upkeep: 1 worker • Warehouse officer: 2 worker	PT SMART	-	Direct Interview	July 5, 2022	✓	
13	Worker Cooperative	PT SMART	-	Interview By Phone	July 5, 2022	✓	
14	Padang Maninjau Village Representative	Labuhanbatu Utara	-	Interview By Phone	June 29, 2022	✓	
15	PT Amindi Barokah Sumut	Sumatera Utara	-	Interview By Phone	June 29, 2022	✓	
16	PT Universal Transindo Mas - FFB Transporter	Sumatera Utara	-	Interview By Phone		✓	

17	WALHI	Indonesia	-	informasi@walhi.or.id	June, 21 2022		✓
18	AMAN	Indonesia	-	rumahaman@aman.or.id	June, 21 2022		✓
19	WWF	Indonesia	-	wwf-indonesia@wwf.or.id	June, 21 2022		✓
20	Sawit Watch	Indonesia	-	info@sawitwatch.or.id	June, 21 2022		✓

Appendix 2. Assessment Program

DATE	27 June – 7 July 2022	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
Monday, 27 June 2022		
09.35 – 12.00	JAKARTA (CGK) → MEDAN (PKU)	All Auditor
15.00 – 19.00	MEDAN → SITE	All Auditor
Tuesday, 28 June 2022		
08.00 – 09.00	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) 	All Auditor
Saturday, 2 July 2022		
08.00 – 12.00	Field Observation to Kanopan Ulu Estate Aspect to be verified: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). Interview with related personnel's during field observation Presentation of Daily Progress. 	All Auditor
Monday, 4 July 2022		
08.00 – 12.00	Field Observation to Padang Halaban Estate Aspect to be verified: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). Interview with related personnel's during field observation 	All Auditor
12.00 – 14.00	Break	All Auditor
	Field observation to Padang Halaban Mill: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch CPO) 	All Auditor

DATE	27 June – 7 July 2022	
PLANNED TIME	PROCESSES/ CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
14.00 – 17.00	<ul style="list-style-type: none"> Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of Employment Procedure and Mechanism Aspect Presentation of Daily Progress 	
Tuesday, 5 July 2022		
08.00 – 12.00	Field Observation to Pernantian & Adipati Estate Aspect to be verified: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). Interview with related personnel's during field observation 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier. Presentation of Daily Progress. 	All Auditor
Wednesday, 6 July 2022		
08.00 – 10.00	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
12.00 – 18.00	PT SMART → MEDAN	All Auditor
Thursday, 7 July 2022		
08.00 – 12.00	MEDAN → JAKARTA	All Auditor