

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

**[ ✓ ] Surveillance**

Name of Management Organisation : Bangun Bandar Palm Oil Mill PT Socfin Indonesia subsidiary of Socfin SA  
Plantation Name : PT Socfin Indonesia, Bangun Bandar Estate  
Location : Village of Aras Panjang, Sub District of Dolok Masihul, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia  
Certificate Code : **MUTU-RSPO/162**  
Date of Initial Registration : 11 November 2011  
Date of Certificate Issue : 26 October 2021      Date of License Issue : 11 November 2022  
Date of Certificate Expiry : 10 November 2026      Date of License Expiry : 10 November 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2.1	08 to 12 August 2022	Moh Arif Yusni (Lead Auditor); Yudhi Yuniarto; Radytio Puspanjana; Firda Tarunajaya	Briyogi Shadiwa	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2.1	09 September 2022

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on March 12<sup>th</sup>, 2014 with registration number *ASI-ACC-055*

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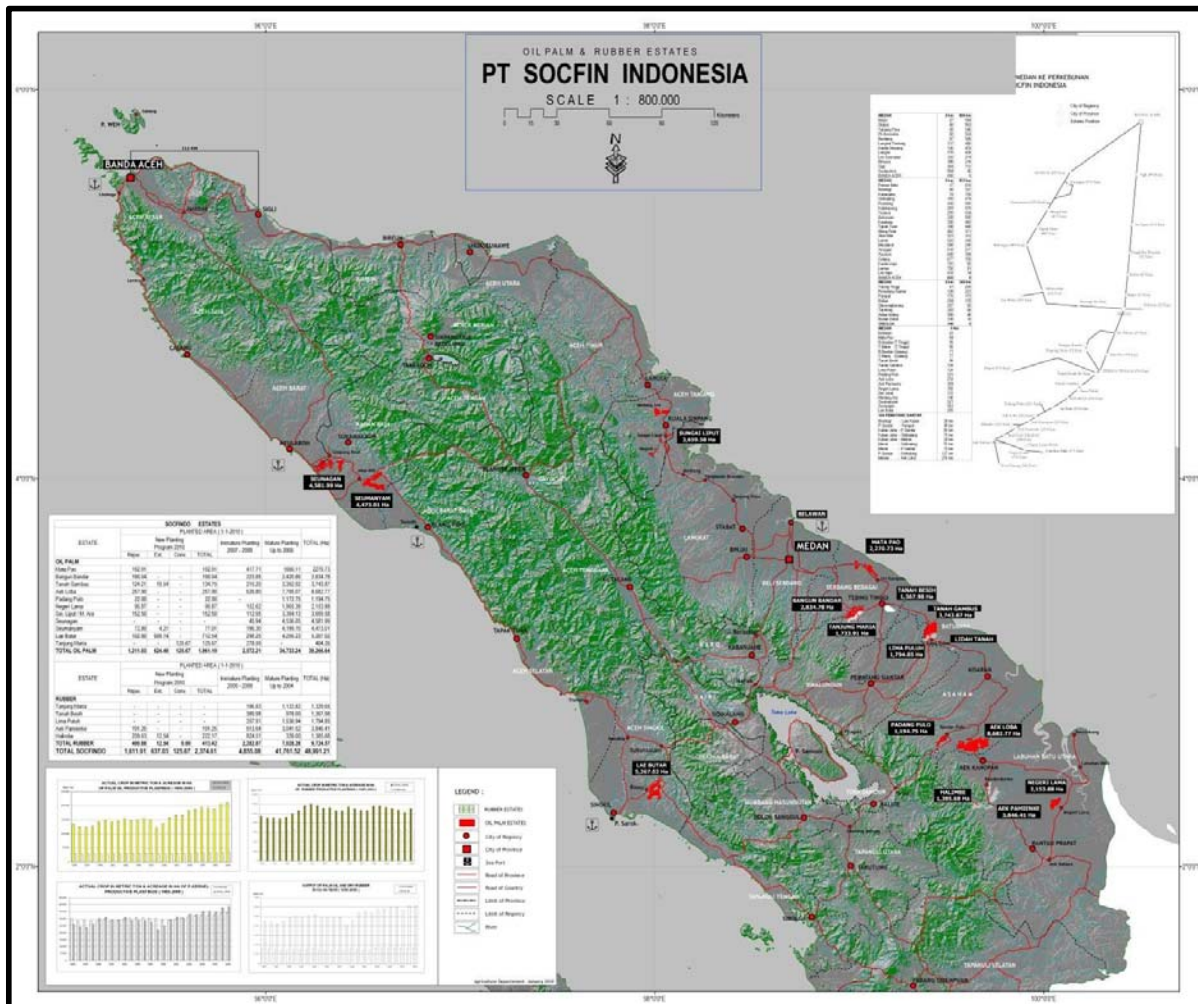
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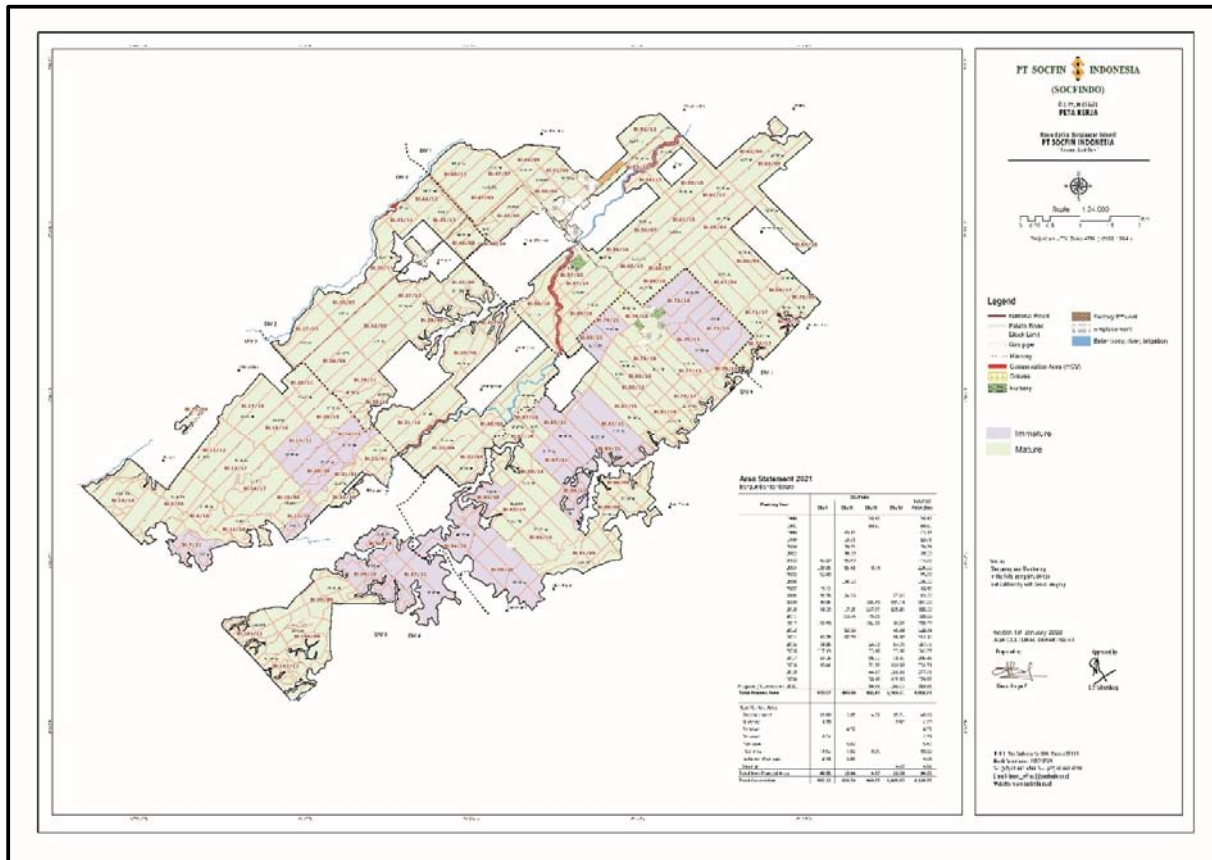
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**Figure 1. Location Map of PT Socfin Indonesia**



**Figure 2. Operational Map of PT Socfin Indonesia**



**Abbreviations Used**

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
APAR	:	Fire Extinguisher/ <i>Alat Pemadam Api Ringan</i>
BOD	:	Biological Oxygen Demand
BPJS	:	Government Insurance Scheme/ <i>Badan Penyelenggara Jaminan Sosial</i>
COD	:	Chemical Oxygen Demand
COVID-19	:	Corona Virus Disease 19
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse gases
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRAC	:	Hazard Identification, Risk Assessment and Control
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISCC	:	international certification system
ISPO	:	Indonesian Sustainable Palm Oil
JSA	:	Job Safety Analysis
KER	:	Kernel Extraction Rate
LB3	:	Hazardous Waste
LC	:	Land Clearing
LCC	:	Land Cover Crop
LD50	:	Lethal Dosage 50
LK3	:	Occupational Health Safety and Environment
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	OHS Committee
PEL	:	<i>Penyajian Evaluasi Lingkungan</i>
PK	:	Palm Kernel
PLN	:	<i>Perusahaan Listrik Negara</i> (National Electrical Department)
PAUD	:	<i>Pendidikan Anak Usia Dini</i> (for Early Childhood Education)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Pemerintah</i> (Government Regulation)
PPE	:	Personal Protective Equipment
RaCP	:	Remediation and Compensation Plan
RKL	:	<i>Rencana Kelola Lingkungan</i>
RPL	:	<i>Rencana Pantau Lingkungan</i>
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SEIA	:	Social and Environmental Impact Assessment
SIA	:	Social Impact Assessment
Socfindo	:	Socfin Indonesia
SOP	:	Standard Operational Procedure
SPSI	:	Serikat Pekerja Seluruh Indonesia

WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>RSPO Certifications Systems for Principles &amp; Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020)</li><li>Indonesia National Interpretation RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Socfin Indonesia – Socfin SA	
1.2.2	Contact person	Andria Zulmanitra	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"><li>RSPO registered company: Societe Financiere des Caouthchoucs 4, Avenue Guillaume 1650, Luxembourg.</li><li>Liaison Office: Jl. K.L. Yos Sudarso No. 106, Medan 20115, Provinsi Sumatera Utara.</li></ul>	
1.2.4	Telephone	(+62-61) 6616066	
1.2.5	Fax	(+62-61) 6614390	
1.2.6	E-mail	<a href="mailto:andria@socfindo.co.id">andria@socfindo.co.id</a>	
1.2.7	Web page address	<a href="http://www.socfindo.com">www.socfindo.com</a>	
1.2.8	Management Representative who completed the application for certification	Andria Zulmanitra Head of Sustainability Sub Department	
1.2.9	Registered as RSPO member	1-0269-19-000-00 – 06 December 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Bangun Bandar POM and Bangun Bandar 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
	Bangun Bandar	Aras Panjang Village, Dolok Masihul Sub-District, Serdang Bedagai District, Sumatera Utara Province, Indonesia	N 03° 19' 54"E 99° 02' 36"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Bangun Bandar	Aras Panjang Village, Dolok Masihul Sub-District, Serdang Bedagai District, Sumatera Utara Province, Indonesia	N 03° 19' 54"E 99° 02' 36"

<b>1.5</b>	<b>Description of Area Statement</b>	
1.5.1	Tenure	
	• State	4,146.85 Ha
	• Community	- Ha
1.5.2	<b>Area Statement</b>	
	• <b>Total area</b>	<b>4,146.85 Ha</b>
	• Mature area	3,326.35 Ha
	• Immature area	717.29 Ha
	• Emplacement (mill and housing)	45.50 Ha
	• Nursery	4.60 Ha
	• Bamboo	0.52 Ha
	• Effluent	4.31 Ha
	• PLN Line	5.82 Ha
	• HCV area	33.77 Ha
	• Isolation drainage	4.06 Ha
	• Swamp	4.63 Ha
* The total HCV area is 36.46 Ha of which 33.77 Ha is outside the planted area while 2.69 Ha is inside the planted area		
<b>1.6</b>	<b>Planting Year and Cycles</b>	
1.6.1	Age profile of planting year	
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>
		<b>Bangun Bandar Estate      Total</b>
	1998	43.13      43.13
	1999	19.95      19.95
	2000	42.64      42.64
	2002	39.00      39.00
	2003	57.45      57.45
	2004	191.86      191.86
	2005	95.00      95.00
	2006	136.00      136.00
	2007	16.42      16.42
	2008	83.00      83.00
	2009	394.00      394.00
	2010	315.00      315.00
	2011	189.00      189.00
	2012	278.00      278.00
	2013	128.24      128.24
	2014	211.16      211.16
	2015	187.73      187.73
	2016	184.07      184.07
	2017	205.46      205.46



	2018	231.31	231.31				
	2019	277.93	277.93				
	Sub Total Mature	3,326.35	3,326.35				
	2020	179.83	179.83				
	2021	319.65	319.65				
	2022	217.81	217.81				
	Sub Total Immature	717.29	717.29				
	TOTAL	4,043.64	4,043.64				
1.6.2	New Planting area after January 2010	903.31	Ha				
1.6.3	Planting Cycle	4 <sup>th</sup> Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Bangun Bandar	25	80,251.33	19,162.64	23.88	2,866.50	3.57
	Production data source from August 2021 to July 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)	%
	Bangun Bandar	4,146.85	3,326.35	80,251.33	24.13	80,251.33	100
	TOTAL	4,146.85	3,326.35	80,251.33	24.13	80,251.33	100
	Production data source from August 2021 to July 2022						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	-	-	-	-	-		
	TOTAL					-	
	*There is no FFB receipt from other source						
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)		Actual Production (MT) of previous audit (August 2021 to July 2022)	
	FFB Processed			86,530		80,251.33	
	CPO Production			20,950		19,231.88	
	Palm Kernel (PK) Production			3,090		2,916.62	
	There are opening stock of CSPO and CSPK covering 69.24 MT and 50.11 MT respectively						

1.8.2	Product selling							
	Type of selling product			Actual selling product for last year (August 2021 to July 2022) (MT)				
	CSPO sold as RSPO certified product			19,163.16				
	CSPK sold as RSPO certified product			2,857.94				
	CSPO sold under other scheme			0				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			0				
	CSPK sold as conventional			0				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (Ha)	Production Area (Ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Bangun Bandar Estate		4,146.85	3,326.35		85,000	25.55	
	TOTAL		4,146.85	3,326.35		85,000	25.55	
<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 (%)	
	Bangun Bandar	25	85,000	20,400	24.00	3,400	4.00	IP
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	ISPO			MISB-ISPO/068 dated 26 September 2020 valid until 25 September 2025				
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						
	Indonesia							
	Tanah Gambus	2011	Tanah Gambus	2011	Lima Puluh Sub-District Batu Bara District.	Certified on November 4, 2011 Certified in November 2016		
	Bangun Bandar	2011	Bangun Bandar	2011	Dolok Masihul Sub-District, Serdang Bedagai District	Certified on November 11, 2011 Certified in November 2016		

Negeri Lama	2014	Negeri Lama	2014	Bilah Hilir Sub District, Rantau Prapat Station Labuhan Batu District	Certified on March 10, 2016 Certified on May 29, 2019
Mata Pao	2014	Mata Pao	2014	Teluk Mengkudu Sub District, Serdang Bedagai District	Certified on April 25, 2014 Certified on April 25, 2016 Certified on July 19, 2019
Sungai Liput	2014	Sungai Liput	2014	Kejuruan Muda Sub District, Aceh Tamiang District	Certified on May 5, 2014 Certified on May 5, 2016 Certified on July 10, 2019
Aek Loba	2014	Aek Loba	2014	Aek Kuasan Sub District, Asahan District	Certified on April 14, 2014 Certified on April 15, 2016 Certified on July 21, 2019
Seunagan	2014	Seunagan	2014	Purwodadi Village, Kuala Pesisir Sub District, Nagan Raya District	Certified on November 30, 2015
	2018	Blok 52 B (30,63 ha) dan 69 B (21,93 ha)	2018		Certified on December 31, 2019
Seumanyam	2014	Seumanyam	2014	Simpang Deli Village, Darul Makmur Sub District, Nagan Raya District	Certified on October 17, 2015
Lae Butar	2014	Lae Butar	2014	Rimo Village, Gunung Meriah Sub District, Aceh Singkil District	Certified on November 30, 2011
	2020	Divisi 5 of Lae Butar Estate	2020		Certified on February 2, 2018
Africa					
Okomu Oil Palm Company Limited	2021	Okomu Main Estate	2021	Nigeria, Africa	Certified
Okomu Oil Palm Company Extension 2 Mill	2022	Okomu Oil Palm Company Extension 1 Estate	2022	Nigeria, Africa	Non Certified
Safacam	2021	Safacam Estate	2021	Cameroon, Africa	Certified
		Safacam TF129, TF136, TF180, TF, Bail Ossa	2021	Cameroon, Africa	Certified
		Safacam TF151	2022	Cameroon, Africa	Not Certified
		Safacam Provisional Concession	2022	Cameroon, Africa	Not Certified
SAC Mill	2021	SAC Estate	2021	Sierra Leone	Certified

SOGB Mill	2021	SOGB TF464	2021	Côte d'Ivoire	Certified
		SOGB TF465, TF466, TF467	2022	Côte d'Ivoire	Not Certified
Socapalm Mbambou Mill	2021	Socapalm Mbambou Estate	2021	Cameroon, Africa	Certified
		Socapalm Edea Mill	2021	Cameroon, Africa	Certified
		Socapalm Edea Estate	2021	Cameroon, Africa	Certified
Socapalm Dibombari Mill	2021	Socapalm Dibombari Estate	2021	Cameroon, Africa	Not Certified
Socapalm Kienké Mill	2022	Socapalm Kienké Estate	2022	Cameroon, Africa	Not Certified
Brabanta Mill	2021	Sanga Sanga, Kadima and Kanangai Estates	2021	RD Congo	Certified
		Lumbundji and Savannah Estates	2021	RD Congo	Certified
Agirpalma Mill	2021	Titulo 409	2021	SAO TOMÉ E PRINCEPE	Certified
		Titulo 410	2022	SAO TOMÉ E PRINCEPE	Not Certified
PSG Mill	2022	PSG Manso	2022	Ghana	Not Certified
		PSG Subri	2022	Ghana	Not Certified

*Updated on 23 June 2022*

Based on internal audit of uncertified unit, most of unit still have LUCA in progress, such as:

- Okomu Extension 1 & 2 Mill and Estate: LUCA status still reviewed by RSPO.
- Socapalm Kienke Mill and Estate: LUCA status still reviewed by RSPO.
- Socapalm Eseka Mill and Estate: LUCA PASS and still RaCP process
- Brabanta Mill and Estate: LUCA PASS and still RaCP process
- PSG Mill and Estate: LUCA status still not complete.
- Agirpalma mill and Estate: LUCA status still reviewed by RSPO.
- Safacam Mill and Estate: LUCA status still reviewed by RSPO.
- SOGB Mill and Estate: LUCA status still reviewed by RSPO.

#### 1.10.2 Progress of Associated Smallholders and Outgrowers for Certifiable Standard

The Company didn't have associated smallholders and out growers.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA 2.1</b>	<p>1. <b>Moh Arif Yusni (Lead Auditor)</b>. Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor course in 204, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, RSPO and ISPO Lead auditor refresher course in 2021 etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verifies Legality, Social and transparency.</p> <p>2. <b>Yudhi Yuniarto Tallutondok (Auditor)</b>. Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation company in Indonesia. Training have been followed including Lead Auditor of ISO 9001:2015, Lead Auditor of ISO 14001:2015, ISPO Auditor Training, RSPO P&amp;C Lead Auditor Training Course, RSPO SCC Lead Auditor Course, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness of OHS aspects, ISO 45001:2018, ISO 22000:2009, ISO 19011:2011, ISO 17021:2011, dan ISO 17065:2012. Has participated in audit activities for ISPO and RSPO scheme since 2017 for BMP, OHS, labour, social and legal aspects. During the audit, he verifies worker welfare, social, and SCCS.</p> <p>3. <b>Radytio Puspanjana (Auditor)</b>. Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training in 2018. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. Aspect audit: long term management plan, Environment, HCV, GHG.</p> <p>4. <b>Firda Tarunajaya (Auditor Trainee)</b>. Indonesian citizen, graduated in 2009 from the Department of Silviculture, Faculty of Forestry, Bogor Agricultural Institute. He has working experienced for 10 years since 2010 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed ISPO Lead Auditor course in 2017, RSPO lead auditor course in 2022, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), Occupational Health and Safety (ISO 45001 : 2018), ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. In this audit activity audit BMP and OHS under supervisions of Lead Auditor</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA 2.1</b>	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for ASA 2.1 at site: 5 days</p> <p>Number of working days for ASA 2.1 at site: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA 2.1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Socfin Indonesia to the requirements of:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li> </ul>

the scope of certification of consist of one mill (Bangun Bandar) and one (1) estate (Bangun Bandar Estate). The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to directly observe the sufficiency of implementation on site.

Team of auditor started their trip from Jakarta to Medan and continued to site on 08 August 2022. Once arrived, team auditor conducted Opening Meetings in the Meeting Room of Region office of unit Bangun bandar. Opening meeting attended by Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

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 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 considered in the assessment

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.

Closing Meeting conducted in the region office of unit Bangun Bandar on 12 August 2022. Closing meeting attended by Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

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 and unit of certification accepted the recommendation from auditor team regarding certification process.

Some opportunities for improvement of the results of assessment delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA 2.1. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification reports

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA 2.1</b>	The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:



#### Bangun Bandar Mill

- **Weighbridge.** Observation regarding FFB administration, Supply chain aspect, and worker welfare aspect.
- **Security.** Observation regarding emergency response aspect and supply chain verification.
- **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill.
- **WWTP.** Observation on WWTP, indication of waste overflow, OHS implementation, and interview with worker about worker welfare, OHS, and company's policies.
- **Solid Waste.** Observation of the management of Solid waste consist of fiber and shell from the production process of mill.
- **EFB composting.** Observation of the management of EFB and POME to composting management the production process of mill.
- **POME Outlet.** Observation of waste management, availability of work safety facilities, and understanding of employees according to their respective jobs.
- **Sortation and Grading.** Observation regarding the quality of FFB, OHS aspect, and worker welfare
- **Loading Ramp.** Observation regarding the knowledge of operator in OHS aspect and implementation of procedure
- **Weighbridge.** Observation regarding FFB administration, Supply chain aspect, and worker welfare aspect
- **Engine room.** Observation related work process, OHS and environment aspect.
- **Sterilizer Station.** Observation related work process, OHS and environment aspect
- **Boiler Station.** Observation related work process, OHS and environment aspect
- **Chemical warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
- **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
- **Hydrant No. 7 simulation.** Observation related emergency preparedness.
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Material warehouse.** Field observations and interview related OHS, and environmental aspect.

#### Bangun Bandar Estate

- **Housing complex Division 2.** Observation related facilities for workers, sanitation, water, electricity, and domestic waste management.
- **Clinic,** observation related worker and medical facility
- **Inspirational House.** observation related worker facility
- **Boundaries Pole No 66,67,68 and 70,** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Daycare Division 2.** Observation and interview with worker related labor aspect and OHS
- **Rinse House Division 2:** Observation and interview about worker welfare, OHS implementation, and understanding of work procedure.
- **PPE storage for agrochemical workers.** Observation and interview about worker welfare, OHS implementation, and understanding of work procedure
- **Pesticide Storage at Division 2.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **HCV Martebuing River Riparian Area, Block 40 division 2.** Observation the implementation of management in HCV of riparian area and replanting activities for year 2022.
- **Selective Spraying, Block 42, division II.** Observations and interviews related to work systems, pesticide filling, OSH and employment aspects.
- **Microne Herby, Block 31, division 2.** Observations and interviews related to work systems, pesticide filling, OSH and employment aspects.
- **Harvesting, Block H 32 division II.** Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, and payment system.
- **Leaf eater caterpillar census Block 45 division 2.** Observations related to BMP in the IPM and early warning

	<p>sistem of the pest.</p> <ul style="list-style-type: none"> <li>• <b>Pre-Nursery and Main Nursery.</b> Observation related to nursery and seed maintenance</li> <li>• <b>Harvest Activities Division 4 Block 80.</b> Observations related to harvest procedures, signs of pest attack, quality of harvested FFB and PPE used</li> <li>• <b>Spraying Activities Division 4.</b> Observations related to work procedures and PPE used</li> <li>• <b>Fertilizer activities Division 4.</b> Observations related to work procedures and PPE used</li> <li>• <b>Fertilizer storage.</b> Observation and interview related management of fertilizer.</li> <li>• <b>Chemical storage.</b> Observation and interview related management of chemical.</li> <li>• <b>Housing complex division 3.</b> Observation the availability of infrastructure such as housing, water and electricity facilities, fire extinguisher, education facilities, religious facilities, health facilities, daycare domestic waste management, childcare and sports facilities.</li> <li>• <b>Daycare Division 3.</b> Observation and interview with worker related labor aspect and OHS.</li> <li>• <b>New planting area, block 15 and 21.</b> Observation related work procedures, soil management and conservations and best management practices.</li> <li>• <b>Workshop.</b> Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.</li> <li>• <b>Landfill at Blok 17 Division 3.</b> Observation related to waste domestic management.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA 2.1</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Socfin Indonesia was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website of Mutuagung Lestari on 25 July 2022</li> <li>• Public consultation to NGO (Sawit Watch, WALHI, WWF, AMAN) on 01 August 2022</li> <li>• Public consultation meeting with government institution (Labor and Cooperative Agency, Department of Agriculture and Animal Husbandry, National Land Office, and Environmental Services of Serdang Bedagai District) on 09 August 2022</li> <li>• Public consultation meeting with communities on 09 August 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor on 09 August 2022</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Socfin Indonesia</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-2.2) will be conducted eight (8) months to twelve (12) months after certificate issued.



### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Bangun Bandar POM – PT Socfin Indonesia, subsidiary of Socfin SA operation consisting of One (1) mill and One (1) oil palm estate.

During the assessment, there were nil (0) Nonconformity were assigned against Major Compliance and Minor Compliance indicator and four (4) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Bangun Bandar POM – PT Socfin Indonesia, subsidiary of Socfin SA complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certifications Systems for Principles & Criteria and RSPO Independent Smallholders Standard (Endorsed by RSPO Board of Governors on 12 November 2020).**

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The company has a Social Communication Procedure No. SOC/PSM/9.01, Edition 01, Revision 06, Effective date April 1, 2020, Scope: This procedure applies to handling information, aspirations, consultation and communication between the company and its stakeholders.</p> <p>Publicly available company documents or information, based on Social Communication Procedure No. SOC/PSM/9.01, Edition 01, Revision 06, covering:</p> <ul style="list-style-type: none"> <li>• Cultivation Rights Certificate</li> <li>• Occupational health and safety plan</li> <li>• Documents of environmental impact assessment (AMDAL) and social impact assessment (SIA)</li> <li>• Pollution prevention and reduction plan</li> <li>• Negotiation procedure</li> <li>• Continual improvement program</li> <li>• Summary of certification assessment report</li> <li>• Human Rights Policy</li> <li>• Company policy</li> <li>• Code of conduct for workers and suppliers</li> </ul> <p>Those document can be accessed by stakeholder through letter to unit of certifications in accordance with their interests and the allocation. Furthermore, there are several public documents available in company website (<a href="https://www.socfindo.co.id/">https://www.socfindo.co.id/</a>) in example company policy, grievance mechanism, sustainability reports and etc.</p> <p>The environmental aspect, such as the receipt of reports on Air Pollution management, Water management Control, hazardous Pollution management and environmental management and monitoring reports (RKL-RPL) with electronic receipts 1659067059-2123. Reporting for scope PT Socfin Indonesia. The environmental management and monitoring</p>	

reports have been sent to the Districts, Provinces, and Ministries in an integrated manner online.

#### **1.1.2**

Based on the results of document review and interviews with agencies in Serdang Bedagai Regency in example Plantation Service, the Environment Service, Land Office and Manpower Office, it was known that the information presented by the certification unit has been presented in an appropriate language (Bahasa) and appropriate form. There are sample document that informed to the company ie

- Hazardous waste and Liquid Waste Management Report 1<sup>st</sup> & 2<sup>nd</sup> quarter 2022 to the Environment Service of Serdang Bedagai Regency, North Sumatra Provincial Environment Service and Ministry of Environment & Forestry.
- RKL-RPL management and monitoring reports for Semester 2 of 2021 and semester 1 of 2022 to the Environmental Service of Serdang Bedagai Regency, North Sumatra Province Environmental Service and Ministry of Environment & Forestry.
- The reports on the implementation and management of the environment (POME, Hazardous waste, Water surface Quality and Air Emission) for the period of semester 1 of 2022 have been reported to the government (Ministry of environment and forestry) base on electronic receipts 1659067059-2123 dated 29 July 2022.
- Employment mandatory report with the number 72169.20211007.0001 on behalf of PT PT Socfin Indonesia – Bangun Bandar dated July 19, 2022, and is required to report back on July 19, 2023.

#### **1.1.3**

The company has SOP to ensure constructive response to stakeholders, document title "Social Communication Procedure", SOC/PSM/9.01 Edition 01, Rev.06, dated 1 April 2020. The SOP has described:

- Information request should be submitted to the company officially by letter, e-mail or others in a documented form.
- The decision on information request from stakeholders should be informed to the requester.
- Time frame for response to request for information are within one month since request received.
- The head of head administration section (*Kepala Tata Usaha*) are person that responsible for receiving and responding to request.
- This procedure mentioned that all the information request will be responded by unit of certification not more than 3 weeks after the incoming letter.

Based on the interviews with stakeholders, for example with government and village agencies, it was found that there were requests for information regarding publicly available data addressed to companies in 2022, this is in line with the review of the Information Book document, it was found that during 2022 there request for information addressed to the company, For example there is a letter from the Employment Insurance (*BPJS Ketenagakerjaan*) regarding data a request for age of workers over 56 years dated 19 January 2022, the company has responded to the letter by employee data as of 2022 to Employment Insurance (*BPJS Ketenagakerjaan*) dated January 21, 2022.

#### **1.1.4**

The company has a Social Communication Procedure No. SOC/PSM/9.01, Edition 01, Revision 06, Effective date April 1, 2020, Scope: This procedure applies to handling information, aspirations, consultation and communication between the company and its stakeholders. The company can show evidence of procedure socialization to stakeholders, for example the records of socialization of communication procedures and social complaints to workers at the Division III office on February 9, 2022, which was attended by 34 participants.

Based on the results of interviews with community representatives of Bah Kerapu Village, Aras Panjang Village, Dolok Sagala village and Ujung Silau Village as well as local contractors, representative worker and other stakeholders, it is known that they understand the communication mechanism owned by the company. The village did not object to the existing complaint submission mechanism.

#### **1.1.5**

The company shows the SOP for Stakeholder Engagement No.SOC/PSM/0.01 edition 01 revise 06 dated 1 April 2020, which explains that the officer is responsible for updating and updating the stakeholder list. During audit The Auditor Team has also conducted telephone interviews with stakeholders such as Serdang Bedagai Regency government

agencies using information from a list of stakeholders owned by the company. The results of the audit team's verification of the list of stakeholders owned by the company are in accordance with the latest information.

Based on the results of the verification of PT Socfindo Indonesia stakeholder list document, which was updated year 2022, there are still several stakeholders that have not been included in the list, for example BPJS, the tax office (government), Mass Media, several village representatives, nearby companies, NGOs and schools.

Based on the results of document verification and interviews, the company already has information about stakeholders that has not been included in the list but is documented separately according to their respective PICs. Companies are encouraged to update regularly related to stakeholders, contact numbers and level of interest with the company in an integrated manner. **OFI**

<b>Status: Comply</b>
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## 1.2

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

#### 1.2.1

The certification unit has policies that can be accessed by the public on the website <https://www.socfindo.co.id> and available in the appropriate language, these policies include:

1. Employee and Corporate Code of Ethics (Edition 2 - March 2019)
2. Supplier Code of Ethics (Edition 1 - March 2019)
3. Quality Policy (Revised and adopted in June 2019)
4. Socfin Group policy for responsible management (Adopted in June 2019)
5. No Deforestation, Development on Peat & Environmental Policy (Adopted in June 2019)
6. Non-Discrimination and Equal Opportunity Policy (Adopted in June 2019)
7. Decent Living Wage Policy (Adopted in June 2019)
8. Freedom of Association Policy (Adopted in June 2019)
9. No Forced Work Policy (Adopted in June 2019)
10. Child Protection Policy (Adopted in June 2019)
11. Reproductive Rights Policy (Adopted in June 2019)
12. Prevention of Violence and Harassment Policy (Adopted in June 2019)
13. Human Rights Defenders Policy (Adopted in June 2019)
14. Grievance Policy (Adopted in June 2019)
15. Occupational Safety and Health Policy (Adopted in June 2019)

The certification unit shows documentation of socialization of policies and regulations that apply in unit certification to relevant stakeholders, some examples include:

1. Socialization of the code of ethics to contractors PT Gunung Kawi Sukses Makmur and CV Kencana Jaya on June 04, 2022, which took place in the meeting room. The certification unit can show documentation and attendance list for the socialization.
2. Socialization of the code of ethics to estate employees on June 04, 2022, at the Block 50. The certification unit can show documentation and attendance list for the socialization.
3. Socialization of the code of ethics to mill employees on June 04, 2022, which took place at the mill office page. The certification unit can show documentation and attendance list for the socialization.

Based on interview with PT OBN Setia Perkasa which is a labour service company, it is known that the certification unit has conducted socialization related to the code of ethics applicable in the certification unit's operational area, which includes the following: prohibition on employing children, prohibition of forced labour and human trafficking, protection of reproductive rights, as well as fair treatment without discrimination to all employees.

#### 1.2.2

The certification unit has mechanism to monitor the compliance and implementation of the policy and overall ethical business through performance assessment. The Performance assessment was conducted to certification unit personnel (employees) or third party (contractors) regularly. The certification unit carry out performance assessment to employees

yearly, documented on document title "*Formulir Evaluasi Kinerja Karyawan (staff/ non staf)*". The results of the performance assessment will deliver to the Administration Dept Head from each department.

For contractors, the certification unit also carry out performance assessment when having a work agreement with the certification unit. The performance assessment was conducted after the work finished by the certification unit base on SOP of performance evaluation of contractors or suppliers, document no SOC/PSM/4.16, Edition 01, Rev.04 dated 01 March 2020. The performance assessment including implementation of the policy and ethical conduct by third party.

Based on the interviews with PT OBN Setia Perkasa, it is known that the mechanism has been socialized when the contract was made. Then, the informant also stated that the certification unit had evaluated compliance with applicable labor laws such as providing PPE for contractor workers, the absence of child labour, protection of contractor workers through the *BPJS* program, etc. This is in line with the procedure which explains the evaluation of sustainable plantation management which is carried out at least once a year.

Status: Comply

## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

### 2.1

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

#### 2.1.1

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

#### Legal Aspect

- The unit of certification already has Land Use Tile in accordance with *HGU* Certificate No. 2 of 1998 for an area of 4,146.85 ha valid until December 31, 2023.
- Has a Plantation Business Permit in the form of *SPUP* with Number HK.350/821/DJ.Bun.5/XI/2001 dated November 23, 2001 for an area of 4,146.85 ha (oil palm plantations) with a permit capacity of 25 Tons FFB/hour
- Has a Plantation Business Assessment certificate for the 2018 assessment period issued by the Regent of Serdang Bedagai on September 2, 2019 with the result of getting a class I category (Excellent)

The Management Unit has an identification and evaluation document of compliance with regulations related to the environment, updated on July 1, 2021. The regulations related to the environment have covered activities in Mill and Estates with a total of 94 regulations. Some examples include:

- Environmental Permit from the Head of the Office of Investment and One Stop Integrated Licensing Service of Serdang Bedagai Regency Number: 0003/22/DPMP2TSP-SB/II/2019 dated February 4, 2019 for an area of 4,146.85 Ha consisting of plantations and factories
- PT Socfindo Bangun Bandar POME Disposal Permit in accordance with the decision of the Serdang Bedagai Regency DPMP2TSP Number: 0006/36/IX/DPMP2TSP-SB/2019 dated 24 September 2019 which is valid for 5 years.
- Hazardous Waste Temporary Storage Permit from DPMP2TSP Serdang Bedagai Regency Number: 0020/34/XI/DPMP2TSP-SB/2020 dated 6 November 2020 which is valid for 5 years, location on Bangun Bandar POM, Aras Panjang village with coordinate N 030 19'45,5" and E: 0990 02' 36,7".
- Permit for Temporary Storage of Hazardous and Toxic Waste from Head of the Office of Investment and One Stop Integrated Licensing Service of Serdang Bedagai Regency Number: 0002/34/DPMP2TSP-SB/III/2019 dated March 5, 2019 which is valid for 5 years location on location on divisi 4 Tanjung Maria village with coordinate N 03° 18'37, 7064 and E 099° 03'12,5424".
- Water Resources Concession Permit in accordance with the Decree of the Minister of Public Works and Public Housing Number 191/KPTS/M.2017 dated 27 March 2017 which is valid for 5 years.

#### Best Management Practice

- The unit of certification applies land clearing without burning in replanting and conversion areas.
- Unit of certification does not use invasive species as biological pest control agency.
- The certification unit has a chemical storage warehouse facility in accordance with Government Regulation no. 74 of 2001 concerning Control of Hazardous and Toxic Materials

#### **Compliance with OHS Regulation**

- Approval of OHS Committee at PT. Socfindo Bangun Bandar Estate Number 195-7/DTK/WIL II/SU/2021 On March 18<sup>th</sup>, 2021, which was ratified by the Head of the Manpower Office of North Sumatra Province.
- OHS Committee Secretary Wisnu Hargo based on the letter from the Minister of Manpower of the Republic of Indonesia Number 5/8156/AS.01.03/VI/2022 dated July 1<sup>st</sup>, 2022 regarding the appointment of OHS experts. OHS Expert Certificate Number 5/1539010722/AS.01.03/VII/2022 dated July 1<sup>st</sup>, 2022 with a license of OHS Expert Authority Card Number 1539010722/Q-AK3U/12/VII/2022 on July 01<sup>st</sup> 2022 and valid until 01 July 01<sup>st</sup> 2025.
- First aid officer Citra Selviana Manpower Office Certificate Number 05/26046/AS.02.02/XI/2021 training organizer PT. Safindo Raya and first aid officer license Number 1014/DTKDT/SU/XII/2021 valid until December 1, 2024.
- First aid officer Ihsan Arisandy Putra, Manpower Office Certificate Number 05/26048/AS.02.02/XI/2021 training organizer PT. Safindo Raya and first aid officer license Number 1016/DTKDT/SU/XII/2021 valid until December 01, 2024
- OHS Commite Report for the Period of April – June 2022 on July 18<sup>th</sup>, 2022 which was received by the Manpower Agency of the North Sumatra Province
- OHS Commite Report for the Period January – March 2022 on April 11<sup>th</sup>, 2022 received by the Manpower Agency of the North Sumatra Province
- Land Fire Monitoring for January – June 2022 Bangun Bandar Estate on July 25<sup>th</sup>, 2022 received by the Agriculture Agency of District Serdang Bedagai
- Plantation Development Report January - June 2022 Bangun Bandar Unit on July 25<sup>th</sup>, 2022 which was received by the District Agriculture Office. Serdang Bedagai

#### **Employment Aspect**

- Employee wages have been referred to the Decree of the Governor of North Sumatera No. 188.44/744/KPTS/2021 concerning the 2022 Regency Minimum Wage. The decree stipulated the minimum wage for estate and the mill sector with a value of IDR 2,869,292.
- The certification unit has implemented a structure and scale of employee wages based on years of service and work assessment of each employee.
- All employees have been registered in the Health and Employment insurance programs.

#### **2.1.2**

The company already has documents related to legal compliance in the Law Register Document with the last updated on 01 July 2022, divided into several aspects, namely:

- Identification and evaluation regulations and requirements against OHS Aspect
- Identification and evaluation regulations and requirements against environmental Aspect
- Identification and evaluation regulations and requirements against others aspect (legal, worker welfare and others)

The company have shown list of updated regulation related to the field of worker welfare aspect are

- Government regulations No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs
- Government regulations No 36 of 2021 concerning Wages

As guidance for updated law register, the company has a procedure Identifications and evaluating the compliance of regulations (SOC/PSM/4.05 rev 01 dated 17 May 2017) with the purpose of guidance during identifications and evaluations of the compliance of the requirements against environmental, OHS and other relevant laws and regulations in the operational activity PT Socfindo as well as ensuring all regulations and requirements has been complied, updated and communicated to all relevant parties. In the procedure mentioned if legal staff have a responsibility to identify and update the regulations and legal staff with estate/mill staff have a responsibility to conduct an evaluation of the compliance



of regulations. To ensure compliance with law or regulations, the company conducts an internal audit. Internal audits have been conducted continuously and are documented and reviewed in the management review activities, latest audit was carried out on 27 – 30 May 2022 that carried out by the Sustainability department

### 2.1.3

Regarding boundaries poles monitoring and maintenance procedure, ruled in the Guidance of boundaries pole maintenance (No. SOC/PSM/4.12, revision 6 dated 1 September 2021). The procedure described that boundaries monitoring is carried out monthly by an officer appointed by the assistant.

During the audit, the unit of certifications presented the result of boundaries monitoring where the last activity was conducted in July 2022. Based on document verifications all boundaries pole are in good condition with total poles are 99 poles. During the audit team auditor visited several boundaries poles (Pole No 66, 67, 68, and 70), and based on field observations it was known all poles are clearly demarcated and visibly maintained and there is no planting beyond these legal or authorized boundaries

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

List of contractors is presented in document “Contractor Monitoring” that updated on 10 January 2022, which informs stakeholder category, name of PIC, relation, address and contact number. Currently the certification unit has 3 contractors. Based on the verification document of 2022 Stakeholder List document show that all third parties, including transporters of toxic and hazardous waste and contractors machine maintenance in mill.

### 2.2.2

Based on verification to several work agreements, for example with CPO transporter, such as through agreement No. PD-GM/X/589/2021 dated 29 November 2021 and Agreement No. BB/SPK/VII/Bi/07/2022 dated 01 July 2022 with PT OBN Setia Perkasa, it was known that several clauses related to regulation compliance, as follows:

- Implementation of sustainability certification system.
- Personal protective equipments (PPE).
- Prohibition on hazardous material disposal.
- Manpower protection.
- Law pursuance and human rights.

Monitoring of law or regulation pursuance by contractors is presented in document of evaluation of contractor and form of evaluation and contractor. Sighted contractors evaluation dated 06 May 2022.

Based on the verification of employee salary slip documents period of June 2022 for PT Gunung Kawi Sukses Makmur (CPO transporter), it is known that each employee has received wages in accordance with applicable regulations, for example, employees with initial MN receive wages with a value of IDR 2,870,000., furthermore, for another aspect in example worker insurance and OHS has been verify through interview with workers and he did it.

### 2.2.3

Based on verification to several work agreements with labour service provider, for example through agreement No. BB/SPK/VII/Bi/07/2022 dated 01 July 2019 with PT OBN Setia Perkasa and Agreement No. PD-GM/X/589/2021 dated 29 November 2021 with PT Gunung Kawi Sukses Makmur, it was known that clauses of disallowing child, forced and trafficked labor is presented in Article 12 about manpower protection Point 1.

Based on interview with PT OBN Setia Perkasa, it was known that socialization towards pursuance regulation on safety and manpower has delivered during contract agreement.

Status: Comply

**2.3**

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

**2.3.1 & 2.3.2**

Until this assessment, there is no FFB supply from other parties. FFB processed originally from own estate.

**Status: Comply**

**PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**
**3.1**

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

**3.1.1**

The certification unit has a long-term plan of 5 years for the period 2021 to 2025. It has includes information related to production, costs and profit and loss. Briefly as follows :

Description	2021	2022	2023	2024	2025
Planted Area (Ha) :					
Mature	3,486	3,627	3,698	3,933	4,039
Immature	861	720	650	414	308
Production (Ton) :					
FFB	92,063	96,451	99,093	105,021	108,662
CPO	22,356	23,341	23,981	25,415	26,296
PK	3,741	3,906	4,013	4,253	4,401
Extraction (%) :					
CPO	24.28	24.20	24.20	24.20	24.20
PK	4.06	4.05	4.05	4.05	4.05
cost					
Production cost Rp/Kg)	1,890	2,041	2,204	2,381	2,571

**3.1.2**

The unit of certification has a replanting plan from 2022 to 2027 as presented below :

YEAR	HA
2022	261.73
2023	347.14
2024	59.08
2025	-
2026	-
2027	135.21
<b>TOTAL</b>	<b>803.16</b>

The unit of certification shows a Land Clearing Work Agreement (LC) for the 2022 Palm Oil Estate Program in Bangun Bandar Estate between PT. Socfin Indonesia with CV. Kencana Jaya Number. PD-GM/X/Bi/576/2021 On 25 November 2021, consisting of :

- Ripping an area of 261.73 Ha
- Chipping stems and embankments including digging and closing holes totaling 23,493 Trees
- Creating a continuous terrace with a length of 18,150 m

The unit of certification shows the minutes of the handover of the work completed by the Land Clearing program in 2022 on April 26, 2022, including the following works:

- Ripping an area of 212.21 Ha
- Chipping stems and embankments including digging and closing holes 19,685 Trees
- Creating a continuous terrace of 11,484 m

In addition, the certification unit shows the progress of the replanting program in the Bangun Bandar Unit, as an example of the progress of the replanting program until. August 7<sup>th</sup>, 2022 for ripping 212.21 Ha, Chipping 19,685 Hole Digger 37,292 holes, planting 261.73 stakes and planting oil palm 29,098 trees. This report is a form of evaluation of the replanting which is sent to the Socfindo Medan office periodically once a week

### 3.1.3

The certification unit shows a work visit report to the Bangun Bandar Plantation on April 12<sup>th</sup>, 2022. At the time of the visit the amount of FFB received at the Bangun Bandar plantation factory averaged around 330 Tons/Day while the estimated production in April was 325 Tons/Day, so OER must controlled by a large budget of 24.30%, while during this visit (April 12<sup>th</sup> 2022) the achievement of OER was 23.72%. Staff to explore the extraction potential to the fullest. Restrained FFB arrangements at the factory need to be better managed. To increase the throughput to 24 Ton/Hour, it can be done by reducing the cycle time of the boiling process and increasing the loading of the lorries. At this time the main problem is the consistency of lorry operations, smooth loading and unloading is the main focus, as well as improving the maintenance system for lorries.

In addition, the certification unit showed a report on the visit of plant staff on January 18<sup>th</sup>, 2022, including based on field observations it was known that there was no extra pruning effect of Yangambi on the formation of male flowers at 13 months after treatment. Div. III, and found the presence of loose TPH which was quoted in block 11 (2018) Div. III

**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

#### Environmental Aspects:

- Carry out composting activities and application of compost in plantation areas
- Maximize the use of renewable fuels.
- Enrichment and maintenance of woody plants in river border areas.
- Implementation of monitoring and monitoring of EIA in semester 2 of 2021 and semester 1 of 2022 in accordance with the monitoring and management matrix owned and reporting it to the relevant agencies.
- The medicinal plant garden and exotic plants garden.
- Record the use of GHG sources and Perform GHG calculations using the RSPO GHG. explained in more detail in indicator 7.10.1
- Management of HCV areas by monitoring, enrichment and periodic socialization to the surrounding community.

#### Best Management Practices :

- Unit of certification does not use pesticides with the active ingredient paraquat
- Composting to reduce the inorganic fertilizer
- Have captive sycaus sp. and beneficial plant as biological pest control agency

### 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. Base on document verification, for The RSPO metric template known annual data 12 month period use on year 2021 for schedule reporting annual data social and environmental, included monitoring data of water consumption, management dan monitoring HCV.

**Status: Comply**

## 3.3



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

**3.3.1**

The unit of certification has procedures in the form of work instructions in factories and plantations. Work instructions at the factory include weighing bridges, loading ramp operations, sterilizer, conditioner, screw press, vibrating screen, engine room work instructions, boiler control, generator operation, water purification in water treatment, determination of oil content, determination of shell content, loss analysis oil in empty bunches, kernel loss analysis, loose fruit loss analysis in empty bunches, waste pond management and others. Work instructions in the estate include work instructions related to pollinating, pesticide formulation, sorting sprouts, fertilizing, spraying pesticides, calibration of sprayer nozzles, determining fertilizer recommendations, harvesting fresh fruit bunches, planting oil palm, oil palm shoots, castration and sanitation, application empty bunch, compost application, planting legume cover crops, and others. In addition, there are work instructions for handling accident victims, medical check-up, treatment for workers, and work instructions related to working at heights. The Factory Procedure was made on April 10<sup>th</sup>, 2014 and was approved by the Head of the Technology Sub Division. While the Operational Procedure was made on October 1<sup>st</sup>, 2020, it was approved by the Principal Director

Based on the results of visits to sorting stations, sterilizer stations, boiler stations and engine rooms, it is known that all workers have understood work procedures and can explain the stages of their work. In addition, based on observations and interviews with nursery employees in Division 4, fertilization employees in Block 92, spraying employees in block 87, spraying oryctes employees in block 78, Harvest employees in Block 80, it is known that all these employees understand and can explain their work procedures

**3.3.2**

The unit of certification has an Internal Audit System Management Procedure No. SOC/PSM/8.22 Ninth Revision. January 1<sup>st</sup>, 2022 as approved by the General Manager and Principal Director. This procedure aims to ensure that the management system is implemented in a sustainable manner, ensure that plantation operations follow applicable company standards and assess the effectiveness of the implementation of the management system. In summary, the details of the internal audit system management activities are as follows:

- Audit Planning and Preparation, namely the sustainability team compiles an annual management system audit program which is carried out at least 1 (one) time a year considering the results of previous audits and the importance of the process
- Audit implementation, namely conducting audits in the factory, garden or analytical lab that has been determined according to the audit plan.
- The categories of audit findings can be in the form of conformity, major nonconformity and minor nonconformity and observations.
- Audit Reporting, namely the Auditor makes a summary of the results of the Management System Internal Audit Report which is approved by the Management in the format of the Plantation Internal Audit Report which is to Management
- Follow-up on Audit Findings, namely all findings of each plantation are registered in the monitoring form for the findings of the internal audit management system.

The certification unit has audited the RSPO, ISPO and ISCC reference management systems in the Bangun Bandar Unit on 27, 28 and 30 May 30<sup>th</sup>, 2022 with Lead Auditor Samuel Situmorang, Auditor Ester Kristian Natalia and Auditee Ricky Irawan. During the audit, 6 nonconformity were found and repairs were completed on 04 June 2022

**3.3.3**

The unit of certification has an Internal Audit System Management Procedure No. SOC/PSM/8.22 Ninth Revision. January 1<sup>st</sup>, 2022 as approved by the General Manager and Principal Director. This procedure aims to ensure that the management system is implemented in a sustainable manner, ensure that plantation operations follow applicable company standards and assess the effectiveness of the implementation of the management system. In summary

The certification unit has audited the RSPO, ISPO and ISCC reference management systems in the Bangun Bandar Unit on 27, 28 and 30 May 30<sup>th</sup>, 2022 with Lead Auditor Samuel Situmorang, Auditor Ester Kristian Natalia and Auditee Ricky Irawan. During the audit, 6 nonconformity were found and repairs were completed on 04 June 2022

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 first, company has environmental impact report in the 1993 Environmental Evaluation Presentation Document (PEL) which was approved on March 17, 1994 with No. RP. 220/478/B/III/94.

In 2013 the management unit revised the RKL-RPL and has obtained it in accordance with the Recommendation for Revision of RKL-RPL PT Socfindo Bangun Bandar Number 18.32/660/325/2013 dated November 15, 2013. The purpose of the revised RKL-RPL is due to the planned conversion of rubber stands into oil palm. In addition, the management unit already has an Environmental Permit from the Head of the Office of Investment and One Stop Integrated Licensing Service of Serdang Bedagai Regency Number: 0003/22/DPMP2TSP-SB/II/2019 dated February 4, 2019 for an area of 4,146.85 Ha consisting of plantations and Factory with a capacity of 23 tons of FFB/hour. Several environmental impact parameters that need to be managed include air quality, hazardous waste, Liquid Waste, Erosion and others.

For the Social impact assessment, also contained in the 2010 Social Impact Assessment report and the Environmental impact report in the 1993 Environmental Evaluation Presentation Document (PEL) 1994. As a follow-up and evaluation of the previous assessment, the company continues the assessment meanwhile, in 2016 the management unit conducted a SEIA study conducted by an independent party for rubber plantation areas to be converted to oil palm plantations and replanting activities. In the implementation of the SEIA study, the affected parties have been involved.

The social impact assessment reviews for the last 2 periods were carried out in 2020 and 2022, for the latest in 2022, they were carried out internally using a participatory method. Based on the SIA review in 2022, there were 15 issue base on impacts identified from the company's operational activities.

#### 3.4.2

The Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (RKL-RPL) report for certification unit. The company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly. The significant impacts that are managed and monitored based on environmental Documents year 2013.

The company has an RKL-RPL revision document that has been approved, in accordance with the recommendation of PT Socfin Indonesia Bangun Bandar Revision RKL-RPL Number 18.32/660/325/2013 dated 15 November 2013. From the results of the 2013 RKL-RPL revision, there are management and monitoring parameters the environmental conditions that the company needs to do during the Conversion / Replanting activities are carried out such as, Erosion Monitoring, Monitoring Soil Nutrients, Soil Structure, air pollution and soil pollution due to heavy equipment and others.

The environmental management and monitoring plan (RKL-RPL) consist of:

- Soil Structure
- Casual worker for upkeep activities
- Air Pollution from Heavy Equipment Operations
- Soil pollution due to fuel spills from heavy equipment.
- Public perception
- Air emission
- Noise
- Liquid effluents
- Hazardous waste
- Ground water / well
- Job opportunity
- Public health
- Erosion.
- Soil Nutrient

Meanwhile, the plan of social monitoring and management included The Social impact assessment review conducted in 2022. From the results of the review in July 2022, a social impact management and monitoring plan was determined,

some of the social impact parameters that need to be managed include the impact on livelihoods for the surrounding community, the impact of social benefits, land ownership and Cultivation Rights, construction of public facilities for employees, social impact by POM & Estate operation and the community and others.

Regarding the social management and monitoring plan owned by the company, the company has conducted a review which is conducted every two years and monitoring once a year. Determination of the SIA management and monitoring plan for 2022 through the questionnaire method which was made on 5 July 2022 and evaluation of the social impact management of Bangun Bandar Estate 2021.

Based on the results of the review of the 2022 SIA Management and Monitoring Plan document, it has been carried out in a participatory manner by involving relevant stakeholders. Based on the results of the review document review, companies are encouraged to:

- The carry out a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, residents, youth leaders, contractors and for internal stakeholders by taking into account the wider representation of workers such as local workers, migrants, women, new workers including contract workers.
- Develop a questionnaire model that informs the potential impact of the company's operational activities as a whole in accordance with the initial identification according to the level of importance and potential impacts that may arise.

#### **OFI**

In the SIA questionnaire, it also discusses the issue of fruit theft, the company has socialized to surrounding villages regarding the punishment for theft, while the distribution of employee bonuses has been completed by the company through a meeting between company representatives and several employees and unions who demand bonuses of several times the salary, while referring to regulations in Indonesia there are no regulations governing employee bonuses.

The management unit already has an HCV area management plan and other protected areas contained in the 2021 HCV management plan and 2021 water resources management plan. Some of the HCV management and monitoring plans include:

- Planting of woody plants in river border areas
- Monitoring HCV signboards
- Monitoring of HCV markers and markers
- Conducting socialization to spray employees
- Conducting outreach to the surrounding community
- Species RTE Monitoring.

Based on the results of document verification and field visits, it can be concluded that all of the company's operational activities have been included in the SEIA management & monitoring plan and have been determined in the time frame as well as the PIC for determining responsibility for managing and monitoring.

#### **3.4.3**

PT Socfindo Indonesia environmental management and monitoring activities are contained in the semi-annual environmental management and monitoring implementation reports that have been reported to the relevant agencies. For example, reports on the implementation and management of the environment for the period of semester 1 of 2022 have been reported to the government with evidence shown as follows, for example electronic receipts 1659067059-2123.

The company shows the RKL-RPL document for semester 1 of 2022 which explains the implementation of the environmental management and monitoring plan that has been implemented, including:

- |   |                       |
|---|-----------------------|
| • Erosion.                                      | • Noise               |
| • Soil Nutrient                                 | • Liquid effluents    |
| • Soil Structure                                | • Hazardous waste     |
| • Casual worker for upkeep activities           | • Ground water / well |
| • Air Pollution from Heavy Equipment Operations | • Job opportunity     |
|   | • Public health       |
|   | • Public perception   |

- Soil pollution due to fuel spills from heavy equipment.
- Air emission

The company shows the PT Socfin Bangun Bandar replanting realization document, it is known that in 2019 to 2022 there will be replanting activities.

Based on the results of the verification of the RKL-RPL document for semester 1 of 2022, information was obtained that several important impacts arising from replanting activities have been managed and monitored, but some evidence attached to the results of the implementation of management and monitoring has not been included in the RKL-RPL report for semester 1 of 2022. The company are encouraged to attach the results of the implementation of environmental management and monitoring in the RKL-RPL report every semester according to the RKL-RPL matrix as required in the Decree of the Minister of the Environment regulation number 45 of 2005 concerning Guidelines for the Preparation of Reports on the implementation of RKL-RPL. **OFI**

The company is consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per the sixth month regularly. This report described the realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL based on document verification semester 2 year 2021 dan semester 1 year 2022 no negative effect arising from the monitoring result. Public consultation with the Environmental agency of Serdang Bedagai indicates that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. The compiled based on the results of reviews of management plan on 7 July 2022, which conducted in a participatory manner. The SIA Management and Monitoring implementation on 2021 has been evaluated and updated, document namely "public consultation and method questionnaire" on 6 - 8 July 2021.

Based on an interview with the representative village head known that SIA, management and monitoring plan has been conducted in an involved manner with affected Village with a Forum Group Discussion (FGD) and distributing questionnaires.

<b>Status: Comply</b>
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### 3.5

#### A system for managing human resources is in place.

##### 3.5.1

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

- Recruitment of workers is based on needs and adjusted to the ability of the company.
- The age of the prospective worker is a minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on the ability, expertise, and assessment of prospective workers.
- The certification unit is authorized to carry out the 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 Collective Labour Agreement, the certification unit has other procedures in the form of Policies, SOPs, Internal Memorandums, and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Company Policies and Collective Labour Agreement in 21 February 2022. For example, some procedures that are owned by the certification unit include:

- Recruitment procedure, SOP No. SOC/PSM/6.01.01, Edition 01, Rev.03 dated 20 February 2020.

- b. Promotion, transfer and demotion procedures, SOP No. SOC/PSM/6.14, Edition 01, Rev.00 dated 17 October 2018.
- c. Training and Human resources Development Procedure, SOP No. SOC/PSM/6.02, Edition 3, Rev.07 dated 1 August 2014.

Based on the foregoing, it is known that the employment system in the certification unit is in accordance with applicable regulations, starting from the acceptance of new workers to retirement or termination of employment.

### 3.5.2

The certification unit shows the implementation documents for the 2021 employment procedure as follows:

- a. Work performance evaluation of mill employees in 2021 with the initials PN with contract status. The results of the evaluation show that employees get a value of 5 (A) with the conclusion being promotion to group III/1.
- b. Work performance evaluation of mill employees in 2021 with the initials SH with contract status. The results of the evaluation show that employees get a value of 5 (A) with the conclusion being promotion to group I/2.
- c. Promotion Certificate with No. BB/Div/Bi/006/22 for employees with the initials PN who were promoted to group III/1 dated January 24, 2022.
- d. Promotion Certificate with No. BB/Div/Bi/010/22 for employees with the initials SH who were promoted to group I/2 dated January 24, 2022.

Based on the above, it is known that the certification unit has good documentation regarding the implementation of labor procedures.

Status: Comply

## 3.6

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

### 3.6.1

The certification unit has procedures for identifying OHS problems including the Procedure for Identification of Occupational Health and Safety Environmental Aspects Number. SOC/PSM/4.04 on March 01<sup>st</sup>, 2020. This procedure serves as a guideline for identifying, reviewing and updating aspects of the environment, occupational safety and health. The sustainability team and plantation personnel identified the EHS aspects of the 5 components of the work environment, namely the EHS aspects of machines, people, work methods, materials, and the environment. OHS experts identify jobs that require Job Safety Analysis related to jobs that have the potential to cause work accidents. The SHE and JSA aspects will be reviewed and updated at least once a year when there are changes to processes, equipment, materials or methods.

The company has HIRAC 12<sup>th</sup> revision on January 10<sup>th</sup>, 2022 which was made by Sustainability staff covering the garden and factory areas including the Toxic and hazardous materials waste warehouse area, garden office, fertilizer warehouse, chemical warehouse, material warehouse, rice warehouse, engine room, clinic, laboratory, mechanic, housing and transportation. Based on the results of observations and interviews with loading ramp employees, sterilizer operators, boiler operators and power supply operators, it is known that employees have understood work procedures and potential hazards that will occur. All employees wear PPE according to company standards.

The company has a policy that regulates periodic and special medical examinations as stated in document no. SOC/PSM/4.19 3<sup>rd</sup> Revision on December 1<sup>st</sup>, 2013 which was approved by the General manager and Principal Director. The last medical examination was carried out in 2019. On July 4<sup>th</sup>, 2020 the certification unit issued a letter No. UM/KK/Bi/1308/20 regarding the statement of postponement of Medical Check Up (MCU) related to covid-19 until an undetermined time limit (until the pandemic period ends). This is based on the Circular of the Minister of Manpower Number M/7/AS.02.02/V/2020 which provides directions to temporarily stop Medical Check Up activities until the pandemic ends. The certification unit has carried out periodic and special medical examinations through the Anugerah Clinical Laboratory on May 24<sup>th</sup>, 2022 as many as 192 employees out of a total of 747 employees and the rest will be carried out in November 2022. The results of the study of the document are known that the results of the health checks will be out on August 8<sup>th</sup>, 2022. Based on the results of the medical examination, it is known that there are 22 employees in the health problems and 170 employees pass health. The certification unit will carry out analysis and follow-up in stages on the results of the health examination starting in September 2022. The certification unit could follow up on the results of



the health examination conducted by the Anugerah Clinical Laboratory and to continue routine and special health checks as planned. OFI

### 3.6.2

The certification unit has evaluated the effectiveness of implementing OHS policies in plantations and factories through OHS Committee meetings which are held once a month. Here are some reports on the results of OHS Committee meetings, including:

- On July 14<sup>th</sup>, 2022 at 2.30 p.m until the end of the OHS Committee meeting which was attended by 15 people. The results of the meeting and evaluation include :
  - On June there were no work accidents in the plantations or factories.
  - Conduct regular briefings
  - Installation of symbols and warning signs regarding OHS
  - Socialize to employees while maintaining a clean environment
  - Explain the risks to the work performed
- On June 13<sup>th</sup>, 2022 at 02.00 p.m until the end of the OHS Committee meeting which was attended by 15 people. The results of the meeting and evaluation include :
  - Remind all workers to always do OHS
  - Delivered for everyday so that briefings related to drugs and covid-19, work instructions and production achievements.

Based on the results of observations and interviews with fertilization employees in division 4, it is known that employees have understood work instructions and potential work hazards. Employees use PPE according to company standards, including using rubber gloves, aprons, boots, and masks.

Status: Comply

## 3.7

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

### 3.7.1

The certification unit has established the annual training program for each unit including scheme smallholders, out growers and contractors. The training program covers all operational and RSPO aspects, such as agronomic best practices, chemical/ pesticide handling, OSH, and the environment. Further explained that there is no gender discrimination in the program but based on the operational and previous evaluation.

The certification unit in this case shows the 2022 training program document which is based on an analysis of employee training needs. The training is carried out interactively by the trainer or supervisor through presentations and hands-on practice to increase participants' understanding. The training program covers the following aspects:

1. Training of toxic and hazardous waste, and chemical handling.
2. Harvest aspect training.
3. Integrated pest control training
4. Technical training of fertilization and spraying.
5. First aid kit training.
6. HCV training

Based on field observations and interviews with estate, mill and contractor employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

### 3.7.2

The certification unit shows training documents to employees and the public around the 2021 period as follows:

1. Toxic and hazardous waste handling training on January 19, 2021 at Division 2. The certification unit can show documentation and attendance lists for these activities.
2. Quality analysis training on 09 June 2021 at the mill laboratory. The certification unit can show documentation and attendance list for the event.
3. Supply chain training and FFB weighing system on 22 July 2021 in the mill area. The certification unit can show

- documentation and attendance list for the event.
4. Training on palm oil and palm kernel processing on August 6, 2021 in the mill area. The certification unit can show documentation and attendance list for the event.
  5. Machine maintenance training on September 10, 2021 in the mill area. The certification unit can show documentation and attendance list for the event.
  6. Training on potential hazards of working in the engine room on October 30, 2021 in the mill area. The certification unit can show documentation and attendance list for the event.
  7. Training on the use of the first aid kit on November 23, 2021 in the workshop area. The certification unit can show documentation and attendance list for the event.
  8. LOTO understanding training on December 29, 2021 in the estate office area. The certification unit can show documentation and attendance list for the event.

Based on interviews with management revealed that the certification unit compiled a training program based on work units, for example: training on palm oil and palm kernel processing on August 6, 2021 in the mill area. The certification unit can show documentation and attendance list for the event.

Based on field observations and interviews with estate, mill and contractor employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

### 3.7.3

Training Program period of 2022 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2021 conducted on 02 June 2022. The training subjected to SOP of Supply Chain and Traceability of Palm products. Training attended by relevant personnel including Mill Manager, Office Assistant, Field Assistant, weighbridge clerk, production clerk and security.

Based on interview to the workers involved in SCCS operations, such as security (for FFB receiving verification), weighbridge operator, and Administration Head (for recording and monitoring the MB data), known that the workers understood the SCCS mechanism, and the MB record has conducted and monitored well.

<b>Status: Comply</b>
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## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1; 3.8.2

The SCCS model used by the unit of certification is Identity Preserved. All FFB accepted and processed originally from RSPO certified estate.

#### 3.8.2

The supply chain model used by the company is IP. All FFB received only from certified areas

#### 3.8.3

Estimated certified product recorded in the last Assessment Report and Certificate and updated in the RSPO Palm Trace. Actual certified produced has been verified during this assessment, and not exceed the estimate. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table:

Product	License volume (Tonnes) Including	Actual Production (MT) of previous audit (August 2021 to July 2022)	Estimate Production of 12 month (MT) further
FFB	86,530	80,251.33	85,000.00
CSPO	20,950	19,231.88	20,400.00
CSPK	3,090	2,916.62	3,400.00

#### 3.8.4

Bangun Bandar POM – PT Socfin Indonesia subsidiary of Socfin SA registered in RSPO membership with information detail :

Name of RSPO Member	Socfin SA
RSPO Membership Number	1-0269-19-000-00
Name of Certified Unit	Bangun Bandar
RSPO PalmTrace ID Number	RSPO-PO1000000451
Supply Chain Model	Identity Preserved (IP)
Sub License ID	CB126446
Start Date	12-12-2021
End Date	10-11-2022

All transaction has been announced to RSPO IT Platform and confirmed shipped. During license it was known there is product sold as RSPO certified and non-certified/conventional as described in indicator 3.8.8 and 3.8.16.

### 3.8.5

The mechanism for implementing RSPO SCCS ruled in the SOP Supply Chain Management (SOC/PSM/9.10 edition 2 rev 01 dated 15 April 2022) with the aims of the procedure are to ensure certified PK and CPO didn't mix physically starting from accepting off FFB, processing, storing of CPO and PK as well dispatch. The procedures established and cover all elements of the supply chain model requirements, records, and reports of compliance with supply chain requirements including training records. The procedure is according to RSPO P&C 2018. Based on observation and interviews with the PIC in specific activities (i.e. security/receiving FFB, weighbridge, and mass balance data PIC), they have been provided SCCS training and are able to demonstrate awareness of the procedures related to SCCS implementation

### 3.8.6

The unit of certification shows the management system internal audit procedure with document number SOC/PSM/8.02 edition 03, revision 08, effective July 2020 endorsed by the General Manager and Principal Director. Internal audit activities are carried out once a year. The latest internal audit for SCCS was conducted on 30 May 2022. Management review for the internal audit conducted on 16 March 2022 management review discuss about the result of internal audit has been closed and other changes to management system and recommendation for improvement.

### 3.8.7

Bangun Bandar POM has record the production of FFB received from certified source. Below is the detail of FFB received for period of August 2021 to July 2022)

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Aug-21	7,379.56	NA	7,379.56
Sep-21	7,669.34	NA	7,669.34
Oct-21	5,628.71	NA	5,628.71
Nov-21	5,462.16	NA	5,462.16
Dec-21	5,380.27	NA	5,380.27
Jan-22	5,071.50	NA	5,071.50
Feb-22	5,521.87	NA	5,521.87
Mar-22	8,512.92	NA	8,512.92
Apr-22	7,829.24	NA	7,829.24
May-22	7,536.67	NA	7,536.67
Jun-22	7,672.79	NA	7,672.79
Jul-22	6,586.30	NA	6,586.30
<b>Total</b>	<b>80,251.33</b>	<b>NA</b>	<b>80,251.33</b>



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

Product	License volume (Tonnes) Including	Actual Production (MT) of previous audit (August 2021 to July 2022)
FFB	86,530	80,251.33
CSPO	20,950	19,231.88
CSPK	3,090	2,916.62

According to the data during the certification period, Actual certified produced has been verified during this assessment, and not exceed the estimate

Mechanisms for handling unsuitable FFB and / or documents have included in the supply chain certification standard Identity preserved procedure with document number SOC/PSM/9.10, edition 02 revision 01 dated 15 April 2022.

### 3.8.8

Based on document verification and interview with management representative obtained information in last 12 months before audit (August 2021 – July 2022) it was known the product only sold under certified product as described in table below :

	Dispatch period (MT)	
	August 2021- July 2022	Total
CSPO sold under RSPO Scheme	19,163.16	19,163.16
CSPO sold under other scheme	-	-
CSPO sold as conventional	-	-
CSPK sold under RSPO Scheme	2,857.94	2,857.94
CSPK sold under other scheme	-	-
CSPK sold as conventional	-	-

Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, for example

- **Shipping Announcement Transaction and Transaction Documents**

- a. CPO

<b>Seller</b> Member Name : PT Socfin Indonesia – Bangun Bandar POM Member ID : RSPO_PO1000000451 Country : Indonesia	<b>Buyer</b> Member Name : PT Multimas Nabati Asahan Member ID : RSPO_PO100000150 Country : Indonesia
<b>Transaction</b> Seller contract number : 40011804 Seller reference number : 300026896 Buyer reference number : DO 300026896 RSPO-IP PO 1210131230	<b>Confirmation</b> Confirmation date : 19 July 2022

<b>Product Details</b> Product name : CSPO Supply chain model : IP Volume : 200 MT	<b>Traceability</b> Transaction ID : TR-bd2e42de-303a Transaction status : Confirmed Shipping/BL date : 19 July 2022
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The shipping announcement based on CSPO selling contract between CSPO PT Socfin Indonesia – Bangun Bandar Mill deand PT Multimas Nabati Asahan, with selling contract No 40011804 volume 1000 Ton dated 31 May 2022. Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer; PT Multimas Nabati Asahan in Kuala Tanjung, Regency of Batu Bara Sumatera Utara
- The name and address of the seller; PT Socfin Indonesia – Bangun Bandar POM
- The loading or shipment / delivery date; on 02 June 2022 based on Delivery order No 300026896 dated 31 May 2022 with volume 200 MT
- The date on which the documents were issued; 19 July 2022
- RSPO certificate number; MUTU-RSPO/162
- A description of the product, including the applicable supply chain model : Identify Preserved

b. PK

<b>Seller</b> Member Name : PT Socfin Indonesia – Bangun Bandar POM Member ID : RSPO_PO1000000451 Country : Indonesia	<b>Buyer</b> Member Name : PT Multimas Nabati Asahan Member ID : RSPO_PO100000150 Country : Indonesia
<b>Transaction</b> Seller contract number : 40011818 Seller reference number : 300026930 Buyer reference number : DO 300026930 RSPO-IP PO 121013138	<b>Confirmation</b> Confirmation date : 19 July 2022
<b>Product Details</b> Product name : CSPK Supply chain model : IP Volume : 200 MT	<b>Traceability</b> Transaction ID : TR-d205ed80-a43a Transaction status : Confirmed Shipping/BL date : 127 June 2022

The shipping announcement based on CSPO selling contract between CSPK PT Socfin Indonesia – Bangun Bandar Mill deand PT Multimas Nabati Asahan, with selling contract No 40011818 volume 500 Ton dated 07 June 2022. Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer; PT Multimas Nabati Asahan in Kuala Tanjung, Regency of Batu Bara Sumatera Utara
- The name and address of the seller; PT Socfin Indonesia – Bangun Bandar POM
- The loading or shipment / delivery date; on 08 - 27 June 2022 based on Delivery order No 300026930 dated 07 June 2022 with volume 99 MT
- The date on which the documents were issued; 27 June 2022
- RSPO certificate number; MUTU-RSPO/162
- A description of the product, including the applicable supply chain model : Identify Preserved

**3.8.9**

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 are sourced to third party, which bonded by the agreement. The product is legally owned by the mill since it produced and delivered to specific buyer, and / or the product shipped from bulking. The contractors have been bound in a work agreement, for example work agreement with PT Gunung Kawi Sukses Makmur (No. PD.GM/X/589/2021 dated 29 November 2021 for CPO and No. PD.GM/X/590/2021 for PK dated 29 November 2021) valid till 31 December 2022

The clause on the terms of work has also clearly stated that the contractor is willing to be visited by the certification body to verify operational activity and administration and others things related CPO and PK transportation of PT Socfin Indonesia. Based on interview with CPO and PK Transporter (PT Gunung Kawi Sukses Makmur) it was known they willing to interview about SCCS process in the term of CPO transportation, the transportations of RSPO certified products and etc.

### 3.8.10

The contractor who cooperates with the certification unit to handle certified products is PT Gunung Kawi Sukses Sejahtera. The contact details and company identity are contained in the cooperation contract.

### 3.8.11

Until the recertification is carried out, there are no new contractors handling RSPO certified products. The contractor used is still the same as the previous assessment

### 3.8.12

The site has maintained accurate, complete, up-to-date, and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. According to the Traceability Procedure all document and record related to supply chain kept for minimum 2 years

CSPO and CSPK produced and/or claimed records are kept in minimum 12 months. Record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 12 months before audit (August 2021 – July 2022):

#### CSPO

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
opening stock	69.24		69.24	-			
Aug-21	1,805.20	-	1,805.20	1,795.62	-	-	1,795.62
Sep-21	1,840.38	-	1,840.38	1,848.71	-	-	1,848.71
Oct-21	1,334.87	-	1,334.87	1,342.77	-	-	1,342.77
Nov-21	1,233.58	-	1,233.58	1,212.85	-	-	1,212.85
Dec-21	1,313.67	-	1,313.67	1,249.47	-	-	1,249.47
Jan-22	1,150.40	-	1,150.40	1,209.51	-	-	1,209.51
Feb-22	1,272.41	-	1,272.41	1,222.29	-	-	1,222.29
Mar-22	2,043.62	-	2,043.62	2,050.40	-	-	2,050.40
Apr-22	1,942.03	-	1,942.03	1,932.16	-	-	1,932.16
May-22	1,811.82	-	1,811.82	1,692.63	-	-	1,692.63
Jun-22	1,803.59	-	1,803.59	1,991.43	-	-	1,991.43
Jul-22	1,611.08	-	1,611.08	1,615.32	-	-	1,615.32
<b>Total</b>	<b>19,231.88</b>		<b>19,231.88</b>	<b>19,163.16</b>			<b>19,163.16</b>
<b>Closing stock 2022</b>	<b>68.72</b>		<b>68.72</b>	-			

#### CSPK

Period	CSPK production (MT)	Total	Cert PK Dispatch (MT)	Total
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	Cert	Non Cert		RSPO	Other scheme	Non Cert	
opening stock	50.11		50.11	-			
Aug-21	297.08	-	297.08	307.36	-	-	307.36
Sep-21	278.02	-	278.02	278.99	-	-	278.99
Oct-21	186.99	-	186.99	181.69	-	-	181.69
Nov-21	167.55	-	167.55	167.23	-	-	167.23
Dec-21	173.06	-	173.06	164.68	-	-	164.68
Jan-22	160.84	-	160.84	183.59	-	-	183.59
Feb-22	180.09	-	180.09	166.88	-	-	166.88
Mar-22	306.06	-	306.06	297.26	-	-	297.26
Apr-22	300.09	-	300.09	301.34	-	-	301.34
May-22	259.59	-	259.59	247.78	-	-	247.78
Jun-22	298.35	-	298.35	281.45	-	-	281.45
Jul-22	258.79	-	258.79	279.70	-	-	279.70
<b>Total</b>	<b>2,916.62</b>		<b>2,916.62</b>	<b>2,857.94</b>			<b>2,857.94</b>
<b>Closing stock 2022</b>	<b>58.67</b>		<b>58.67</b>	-			

Based on table above, can be summarized as table below:

a. Tonnage Product

Description	Volume (MT)
Certified FFB	80,251.33
CSPO Production	19,231.88
CSPK Production	2,916.62

b. Product Selling

Description	Volume (MT)
CSPO sold as RSPO certified product	2,857.94
CSPK sold as RSPO certified product	19,163.16
CSPO sold under another scheme	0
CSPK sold under another scheme	0
CSPO sold as conventional	0
CSPK sold as conventional	0

### 3.8.13 & 3.8.14

Based on document verifications and interview with management it was known if there is no conversion rate of production of CPO (OER) and PK (KER) that applied by the mill. The production of CPO (OER) and PK (KER) are based on actual daily, monthly, and yearly production.

### 3.8.15

The mill has set the procedure and implement to verify that the RSPO certified oil palm product is kept separated from non-certified oil palm products, from the receiving verification, processing and transporting. During 12 months previous the audit, the Mill did not process the uncertified FFB.

### 3.8.16

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since August 2021 – July 2022 there are **19,163.16 MT CSPO** and **2,857.94 12 CSPK** sold as certified products

Documents verification and interview during an audit it was known the claimed RSPO product of CSPO and CSPK is no longer than 3 months since the product delivered. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name, and address of the seller, for example:

a. CPO

<b>Seller</b> Member Name : PT Socfin Indonesia – Bangun Bandar POM Member ID : RSPO_PO1000000451 Country : Indonesia	<b>Buyer</b> Member Name : PT Multimas Nabati Asahan Member ID : RSPO_PO100000150 Country : Indonesia
<b>Transaction</b> Seller contract number : 40011804 Seller reference number : 300026896 Buyer reference number : DO 300026896 RSPO-IP PO 1210131230	<b>Confirmation</b> Confirmation date : 19 July 2022
<b>Product Details</b> Product name : CSPO Supply chain model : IP Volume : 200 MT	<b>Traceability</b> Transaction ID : TR-bd2e42de-303a Transaction status : Confirmed Shipping/BL date : 19 July 2022

- The shipping announcement based on CSPO selling contract between CSPO PT Socfin Indonesia – Bangun Bandar Mill deand PT Multimas Nabati Asahan, with selling contract No 40011804 volume 1000 Ton dated 31 May 2022
- Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:
  - The name and address of the buyer; PT Multimas Nabati Asahan in Kuala Tanjung, Regency of Batu Bara Sumatera Utara
  - The name and address of the seller; PT Socfin Indonesia – Bangun Bandar POM
  - The loading or shipment / delivery date; on 02 - 10June 2022 based on Delivery order No 300026896 dated 31 May 2022 with volume 200 MT
  - The date on which the documents were issued; 19 July 2022
  - RSPO certificate number; MUTU-RSPO/162
  - A description of the product, including the applicable supply chain model : Identify Preserved

b. PK

<b>Seller</b> Member Name : PT Socfin Indonesia – Bangun Bandar POM Member ID : RSPO_PO1000000451 Country : Indonesia	<b>Buyer</b> Member Name : PT Multimas Nabati Asahan Member ID : RSPO_PO100000150 Country : Indonesia
<b>Transaction</b> Seller contract number : 40011818 Seller reference number : 300026930 Buyer reference number : DO 300026930 RSPO-IP PO 121013138	<b>Confirmation</b> Confirmation date : 19 July 2022
<b>Product Details</b> Product name : CSPK	<b>Traceability</b> Transaction ID : TR-d205ed80-a43a

Supply chain model : IP  
Volume : 200 MT

Transaction status : Confirmed  
Shipping/BL date : 127 June 2022

- The shipping announcement based on CSPO selling contract between CSPK PT Socfin Indonesia – Bangun Bandar Mill deand PT Multimas Nabati Asahan, with selling contract No 40011818 volume 500 Ton dated 07 June 2022
- Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:
  - The name and address of the buyer; PT Multimas Nabati Asahan in Kuala Tanjung, Regency of Batu Bara Sumatera Utara
  - The name and address of the seller; PT Socfin Indonesia – Bangun Bandar POM
  - The loading or shipment / delivery date; on 08 - 27 June 2022 based on Delivery order No 300026930 dated 07 June 2022 with volume 99 MT
  - The date on which the documents were issued; 27 June 2022
  - RSPO certificate number; MUTU-RSPO/162
  - A description of the product, including the applicable supply chain model : Identify Preserved

### 3.8.17

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted follow the RSPO Rules on Market Communications and Claims. The mill isn't making claims by using RSPO trademark

**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

Policy regarding human rights has been stated in the document title "Human Rights and Human Right Defender Policy", dated 1 June 2019 updated October 2021. In the policy described if Socfindo committed to respecting international human rights standards. These shall include at a minimum the human rights standards as set out and defined in:

- The United Nations declaration on Human Rights Defenders,
- The Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights
- The International Covenant on Civil and Political Rights (explicitly the protection of whistle-blowing as an aspect of freedom of expression under Article 19),
- The International Covenant on Economic, Social and Cultural Rights,
- The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW),
- The International Labor Organization's (ILO) Declaration on Fundamental Principles and rights to work,
- Any other guidelines or human rights standards as set out in the laws of the Republic of Indonesia.

In the policy also described if he Socfindo was committed to resolution of any conflict through peaceful means that promote the dignity of people and respect the rights of all. Violence and threats have no place in the company and any form of violence, harassment or intimidation against any individual or group is strictly prohibited including any retaliation against Human Rights Defenders whether violent or nonviolent.

The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and factories. This is evidenced by statements from plantation workers (harvesters, sprayers, and maintenance), factories (mill operators and warehouse workers) as well as contract workers and information from community representatives of Bah Kerapu Village, Aras Panjang Village, Dolok Sagala village and Ujung Silau Village who state that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit. The policy has been disseminated to all workers and surrounding policy, in example Socialization on 4 June 2022 to medical officers and office staff, estate workers division 01 – 04 and mill workers as well as surrounding communities



Based on the explanation above, during the past year there were no issues / incidents of human rights violations that occurred in the vicinity or the operational area of the certification unit so that there were no acts of intimidation / violence carried out by the certification unit including contracted services such as security services that were contracted and others.

#### 4.1.2

During the past year, the certification unit did not have records related to the use of violence / mercenaries or paramilitaries in resolving conflicts / problems that existed between the certification unit and related stakeholders (surrounding communities, workers, or others).

As ruled in Ministry of Industry Regulation No 18 year 2018, palm oil plantation categorized as National Vital Object, the company ordered the police to maintain conditions and security where there are four (4) police and six (6) military officers in the company area. Based on public consultation with the management and local company obtained information if the existence of the police and military in company is to maintain the conditions and security in the company area, not as an effort to intimidate or force the community around the company.

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 and 4.2.2

The certification unit has defined the system to deal with complaints and grievances for all affected parties which documented in Procedure of Social Complaint Handling - SOC/PSM/9.02) Rev.02 dated 1<sup>st</sup> June 2014. Person who responsible to receive complaints and grievances has assigned by organization that was *Pengurus Kebun (PK)*. It's also described in Job description of *Pengurus Kebun* and appointment letter from the head of General Department.

The certification unit has had system to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner. Evidence that the procedures have been implemented is the logbook of complaint. Records are routinely monitored monthly.

Mechanism and procedure were provided a way for workers to report a grievance against a supervisor to someone other than the supervisor.

The system enables resolution of disputes in an effective and appropriate manner by way of classifying complaints into internal and external, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution.

Non-retaliation or non-reprisal policy that protects complainants or whistle-blowers was described in ethical policy PT Socfin Indonesia. Privacy of parties who submitted the complaint and aspiration were protected if necessary.

Where a resolution is not found mutually by means of deliberations between two parties, the problem can be resolved through third-party mediation/authorities, be resolved through the applicable law or brought the RSPO Complaints System.

Based on field observation and interview with estate worker, mill worker, worker union board and contractor worker known that all workers also has understood about complaints and grievances mechanism. The certification unit also has a Communication Procedure which explains that the certification unit also facilitates the delivery of information to affected parties, including those who cannot read/ write by submitting it through pictures, videos and posters.

Based on interviews with estate and mill workers' unions related to employee demonstrations in the case of claiming annual bonuses, it was found that the certification unit had resolved the problem with the labor union by negotiating and providing explanations regarding bonuses which were not the certification unit's obligation. It was further explained that bonuses can be given to employees by looking at the certification unit's financial condition. this has also been conveyed by the union management to the employees in each unit.

#### 4.2.3

Based on verification document of internal and external complaint in 2021-2022 revealed that there were no recorded complaints. This is similar with the results of interviews with worker unions and the surrounding community that no complaints have been submitted to the certification unit in 2022 until the audit activity takes place.

#### 4.2.4

The certification unit has a procedure title "Social Grievance Procedure", document No. SOC/PSM/9.02, Edition 6, Rev.06 dated 1 March 2020 and is available in Bahasa. The SOP describes a system to resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers where requested. The procedure was publicly and being communicated to workers and others stakeholders (local community, suppliers/contractors). Any complaints and grievances shall be recorded in the logbook title "Grievance Record" and shall be investigated, addressed and resolved by responsible person/section. If a resolution was not found mutually and agreed, a process for complaints shall be brought to the next level in the company, including follow RSPO complaints system. Furthermore, In the procedure also explained that if the settlement of the complaint is not agreed by both parties, the complaint can be resolved by a technical or independent mediator or a third party who legitimate.

Based on field observations and interviews with estate and mill employees, it is known that the complaints procedure has been implemented properly where every complaint submitted to the certification unit will be immediately responded to and followed up by the certification unit.

Status: Comply

#### 4.3

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

##### 4.3.1

The certification unit has identified the needs of the surrounding community through FGDs held in early 2021. The communities involved are representatives from Pardomuan Village, Dame Village, Aras Panjang Village, Dolok Sagala Village, Pertambatan Village, Banten Village and Kerapuh Village. Some of the other villages that were not present submitted suggestions through proposals and questionnaire.

The results of the meeting were manifested in the preparation of the CSR program for the period of 2021 which was divided into the following areas:

1. Religion
2. Health
3. Sports
4. Education
5. Infrastructure Development
6. Human Resources Improvement
7. Economic Development
8. CSR Smallholders partnership

The realization of CSR semester 1 year 2022 include the following:

- Human Resources and Religious Development Donation, for example; Assistance for the construction of Primary school of Bandar Pama village dated January 16 2022, and Construction of the Tomb in Martebing Village dated 31 January 2022.
- Health, Education, Youth and Sports Donation for example; Assistance for the construction of the Dolok Masihul Village Mosque on 31 January 2022, Counseling on health and herbal medicine to Aras Panjang and Dolok Masihul villages dated 23 February 2022 and Assistance for repairing the football court on 26 February 2022.
- Road, building and economic development assistance for smallholders; Assistance for Drainage Development in Martebing Village 31 January 2022 and cattle breeding training in Dolok Sagala Village on 11 March 2022.

#### Partnership



The sustainable Partnership Cooperation Agreement with GAPOKTAN Sepakat on 27 February 2020 valid for 5 years. The scope of cooperation is fostering oil palm, rice, and secondary crops farmers in Dolok Masihul District

Based on the interviews with representatives of the *Pekan Kamis* Village Community, Aras Panjang Village, and Martebing Village, it is known that so far, the existence of the company has had a very positive impact on the community, both in social assistance and community empowerment. The realization of social responsibility has taken into account the results of the meeting in identifying community needs.

Status: Comply

#### 4.4

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

##### 4.4.1

Unit of certification has covers area for about 4,146.85 Ha. currently there is no land expansion or additional operational areas in company operational area. Legal ownerships are remaining the same as shows through documents Decree of the Agrarian Ministry / Head of National Land Agency Number: 94/HGU/BPN/97 concerning Extension of Land use right Located in Deli Serdang Regency, North Sumatra Province, Certificate of HGU No. 2 Tanjung Meriah Village on April 8, 1998, covering an area of 4,146.85 Ha (based on measurement certificate dated March 31, 1998 Number: 01 / Tanjung Meriah / 1998). The HGU certificate is valid for 25 years (31-12-2023).

With the end of the company's Land title that owned, PT Socfindo has proposed the process of extending the land title through Letter Number UM/X/Bi/310/21 to the Head of Land Agency, Serdang Bedagai Regency, dated February 3, 2021, regarding the request for land parcels measurements of the land title. as a follow-up to the letter, the regional office of the National Land Agency of North Sumatra Province has carried out the measurement of the land parcels area, which is based on the cover letter No IP.02.01/1507-12.200/VIII/ 2021 dated 19 August 2021 about the request of measurements land parcels area of PT Socfin Indonesia covering 4,146.85 Ha

##### 4.4.2; 4.4.3; 4.4.5 and 4.4.6

PT Socfindo – Bangun Bandar operational areas were not derived from indemnity land, however long established company since early 1900 where when the Indonesian did not yet exist and was still in the Dutch colony. First planting of palm oil estimate in 1922 and now it has entered the fourth period / cycles. Previously the rights owned were in the form of erfpacht which was issued on June 13, 1968

Based on documents verifications and interview with surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu) there was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there are no land right owned by community in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.

Based on evidences above, FPIC process was not applicable for the unit of certification. However, the company has a FPIC procedure, document no. SOC/PSM/9.04, Edition 01, Rev.00 dated 1 January 2010 that describes process on how to get the legal land right including respect to customary or user rights of other users

Status: Comply

#### 4.5

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

##### 4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.7 and 4.5.8

Based on documents verifications, field observation and interview with management it was known there are new planting after 15 November 2018, where the area are conversion from rubber Plantation to palm oil Plantation and the area located in the scope of certifications. The new planting period as follows:

Years	Conversion Area
2019	233.26
2020	149.35
2021	263.09
Total	645.70

The area are conversion from rubber Plantation to palm oil Plantation and the area located in the scope of certifications.

As mentioned in the Criteria 4.4 PT Socfindo – Bangun Bandar operational areas were not derived from indemnity land, however long-established company since early 1900 where when the Indonesian did not yet exist and was still in the Dutch colony. First planting of palm oil estimate in 1922 and now it has entered the fourth period / cycles. Previously the rights owned were in the form of erfpach which was issued on June 13, 1968

Based on documents verifications and interview with surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu) there was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there are no land rights in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.

Based on evidences above, FPIC process was not applicable for the unit of certification. However, the company has a FPIC procedure, document no. SOC/PSM/9.04, Edition 01, Rev.00 dated 1 January 2010 that describes process on how to get the legal land right including respect to customary or user rights of other users

**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

Based on the document review, interviews with community representatives from surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu) it was found that until the this assessment there were no land acquisitions or compensations. However, the company has established procedure regarding land acquisition and identifying people and/or community groups entitled to compensation, i.e:

- Procedure No. SOC/PSM/9.04, Rev.00, dated 1 January 2010; Land Acquisition Procedure
- Procedure No. SOC/PSM/9.05, Rev.01, dated 1 April 2015; Identification and calculation of land compensation.

The SOP's has described that:

- any negotiations concerning compensation for loss of land user rights are dealt with through their own or through their representative institutions and should agree by the affected parties,
- calculating and distributing are fair and gender-equal compensation (monetary or otherwise),
- any compensation agreed are implemented, monitored and evaluated in a participatory way with the affected parties, and
- any processes are officially documented and affected parties well informed.

##### 4.6.3 & 4.6.4

Based on the document review, interviews with community representatives from surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu), it was known there is no new land acquisition or compensation in the company operational area. As mentioned in the Criteria 4.4 PT Socfindo – Bangun Bandar operational areas were not derived from indemnity land, however long established company since early 1900 where when the Indonesian did not yet exist and was still in the Dutch colony. First planting of palm oil estimate in 1922 and now it has entered the fourth period / cycles. Previously the rights owned were in the form of erfpach which was issued on June 13, 1968

Based on documents verifications and interview with surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu) there was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there are no land rights in the company operational area, either

individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community and no claims have been made by the community on these lands.

Based on evidences above, FPIC process was not applicable for the unit of certification. However, the company has a FPIC procedure, document no. SOC/PSM/9.04, Edition 01, Rev.00 dated 1 January 2010 that describes process on how to get the legal land right including respect to customary or user rights of other users

<b>Status: Comply</b>
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#### 4.7

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

##### 4.7.1; 4.7.2 & 4.7.3

The certification unit has been operating since the Dutch colonial period which in 1968 finally had the right to erphact. Until now, the land rights owned are HGU which are still valid. However, the company has established procedure regarding land acquisition and identifying people and/or community groups entitled to compensation, i.e:

- Procedure No. SOC/PSM/9.04, Rev.00, dated 1 January 2010; Land Acquisition Procedure.
- Procedure No. SOC/PSM/9.05, Rev.01, dated 1 April 2015; Identification and calculation of land compensation.

The SOP's has described that:

- any negotiations concerning compensation for loss of land user rights are dealt with through their own or through their representative institutions and should agreed by the affected parties,
- calculating and distributing are fair and gender-equal compensation (monetary or otherwise),
- any compensation agreed are implemented, monitored and evaluated in a participatory way with the affected parties, and
- any processes are officially documented and affected parties well informed

Based on the document review, interviews with community representatives from surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu), it was known there is no new land acquisition or compensation in the company operational area. As mentioned in the Criteria 4.4 PT Socfindo – Bangun Bandar operational areas were not derived from indemnity land, however long established company since early 1900 where when the Indonesian did not yet exist and was still in the Dutch colony. First planting of palm oil estimate in 1922 and now it has entered the fourth period / cycles. Previously the rights owned were in the form of erfpatch which was issued on June 13, 1968

Based on documents verifications and interview with surrounding village (Aras Panjang, Ujung Silau, Dolok Sagala and Bah Kerapu) there was no identified the presence of indigenous land or land compensation in the concession area of company. Based on evidences above, FPIC process was not applicable for the unit of certification. However, the company has a FPIC procedure, document no. SOC/PSM/9.04, Edition 01, Rev.00 dated 1 January 2010 that describes process on how to get the legal land right including respect to customary or user rights of other users

<b>Status: Comply</b>
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#### 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;

As a guidance to resolved land dispute ruled in the Procedure

- Procedure No. SOC/PSM/9.04, Rev.00, dated 1 January 2010; Land Acquisition Procedure.
- Procedure No. SOC/PSM/9.05, Rev.01, dated 1 April 2015; Identification and calculation of land compensation
- Social Grievance Procedure No. SOC/PSM/9.02, Edition 6, Rev.06 dated 1 March 2020. The SOP describes a system to resolve disputes in an effective, timely and appropriate manner

##### 4.8.2; 4.8.3; 4.8.4

Until this assessment, there were no conflicts and land disputes within the PT Socfindo – Bangun Bandar area. This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation as well as searching in internet, which stating that there were no land conflicts in the company's operational area.

**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 - 5.1.9**

The unit of certification has no relationship or partnership with farmers (Independent Farmers and Plasma Farmers) and all other local business actors. Based on FFB supplier data period 2021 until 2022, interview with representative company, plantation agency Serdang Bedagai, the mill does not accept FFB from third parties, so that this indicator cannot be applied.

As described in RSPO Interpretation Forum, the management unit is not subjected to support random local communities (independent smallholders) to obtain RSPO Certification when they don't have any business interest.

**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 unit of certification has no relationship or partnership with farmers (Independent Farmers and Plasma Farmers) and all other local business actors. Based on FFB supplier data period 2021 until 2022, interview with representative company, plantation agency Serdang Bedagai, the mill does not accept FFB from third parties, so that this indicator cannot be applied.

As described in RSPO Interpretation Forum, the management unit is not subjected to support random local communities (independent smallholders) to obtain RSPO Certification when they don't have any business interest.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**
**6.1**

**Any form of discrimination is prohibited.**

**6.1.1**

The certification unit have policy dated June 2019 which explained that the certification unit did not discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief. Based on the employee registration document, certification unit has provided equal opportunities and treatment in employment opportunities. In addition, based on interview with estate and mill workers for job vacancies that have been published by the certification unit, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief, so indirectly the certification unit has implemented a non-discrimination policy and also equal opportunity. This is evidenced by the diversity of ethnic accepted to work. Based on interviews with workers during field visits and interviews with labour unions and representatives of the Gender Committee as well as contractors workers also obtained information that there was no indication of acts of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.

Further explain that the certification unit is committed to complying with all applicable labor laws and regulations relevant to the certification unit's business activities as well as complying with the certification unit's internal procedures. The

certification unit is committed to achieving this through providing equal employment opportunities regardless of race, ethnicity, religion, caste, nationality, disability, gender, sexual orientation, union membership, political affiliation, or age.

The certification unit explained that non-discrimination policies and equal employment opportunities are available in each unit and can be accessed by all workers, colleagues and the surrounding community.

#### **6.1.2**

The certification unit shows an employee list document that informs religion, ethnicity and gender for the period May – June 2022. From the document it is known that the employees in each unit come from different regions, for example: Java, Banten, Malay, Batak Madura, Banjar, Minang, Betawi, and Aceh. From the document it is also known that the employees who work consist of Muslims and Protestant Christians.

Based on interview with estate, mill and contractor workers, worker unions and gender committees revealed that the recruitment of workers was based on certification unit needs regardless of ethnicity, religion, and specific background. All prospective employees have the right to get the opportunity to work in accordance with their scientific background and certification unit needs. During 2021 - 2022 there were no issues regarding discrimination against workers. In addition, based on interviews with village head nearby sighted that so far there have been no acts of discrimination within the certification unit or its surroundings. The certification unit always provides equal opportunities to the surrounding community to work in the certification unit in accordance with the provisions and needs set.

In addition, there are no migrant workers. All recruitment is carried out in accordance with the certification unit's employee recruitment SOP.

Based on the foregoing, it is known that there is no discrimination against religion, ethnicity and class in obtaining employment.

#### **6.1.3**

Employee promotions are given based on the results of employee performance appraisals. The certification unit shows a sample of employee promotion documents for 2021-2022 as follows:

1. Work performance evaluation of mill employees in 2021 with the initials PN with contract status. The results of the evaluation show that employees get a value of 5 (A) with the final conclusion being promotion to group III/1.
2. Work performance evaluation of mill employees in 2021 with the initials SH with contract status. The results of the evaluation show that employees get a value of 5 (A) with the final conclusion being promotion to group I/2.
3. Promotion Certificate with No. BB/Div/Bi/006/22 for employees with the initials PN who were promoted to group III/1 dated January 24, 2022.
4. Promotion Certificate with No. BB/Div/Bi/010/22 for employees with the initials SH who were promoted to group I/2 dated January 24, 2022.

Based on interviews with estate and mill employees, it is known that the certification unit has implemented labor procedures properly without discriminating against new employee selection, performance appraisal and employee promotion.

Based on the foregoing, it is known that employment procedures have been carried out based on the skills, abilities, and quality of employees.

#### **6.1.4**

The certification unit does not perform a pregnancy test at the time of employee recruitment. Pregnancy checks are only carried out for spray and fertilizer workers monthly to find out whether workers are pregnant or not. Pregnancy checks are only carried out for female workers who do not use contraception.

Based on interviews with representatives of the gender committee and female employees in the field, it is known that pregnant workers will be transferred to jobs that do not endanger pregnancy, for example as guard officers in daycare centers or manual care workers.



#### 6.1.5

The certification unit has a gender committee. The organizational structure of the gender committee consists of chairman, secretary and treasurer. Based on document verification of the organizational structure of the gender committee document show that the management consists of men and women, for example in the organizational structure of the unit gender committee in the protective position, the deputy chairman and secretary are held by men.

It was further explained that the gender committee provides support for female employees, including protection and maintenance of women's health, maintenance of family life and welfare, protection from sexual harassment and violence, providing continuing education that gender equality exists in the unit of certification.

Based on interview with committee gender, estate and mill worker the policy had disseminated to workers through gender committee meetings with workers and in the last year period, that hasn't any issue/ incident related to sexual harassment, violence at work/ reproductive rights. The woman workers aware and known the mechanism to submit issue related gender / sexual harassment can be informed through gender committee

The certification unit showed the gender committee socialization document which was held on May 12, 2022, which took place in the meeting room. The certification unit can show documentation and attendance list for the event.

#### 6.1.6

The Certification unit does not discriminate against workers' rights, this is indicated by the payment of equal wages for employees in the same scope of work. The certification unit issued a decision on the payment of salaries for permanent employees in 2022 based on the Governor of North Sumatera Decree No. 188.44/0757/KUM/2021 concerning the 2022 Regency Minimum Wage. The decree stipulated the minimum wage for estate and mill sector with a value of IDR 2,869,292.

The certification unit has also developed a structure and pay scale that applies to employees with a service period of more than 1 year. It was further explained that the structure and scale of wages were determined based on years of service and an annual performance appraisal by each supervisor.

Based on interviews with estate and mill employees with the same grade show that the certification unit always conducts annual assessments of all employees for example for harvesting or chemical activity based on performance and work compliance, which results from the assessment will determine the results for each employee.

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

##### Implementation of Employment Procedures

The certification unit shows a sample of job requirements documents for new employees as follows:

1. Work performance evaluation of mill employees in 2021 with the initials PN with contract status. The results of the evaluation show that employees get a value of 5 (A) with the final conclusion being promotion to group III/1.
2. Work performance evaluation of mill employees in 2021 with the initials SH with contract status. The results of the evaluation show that employees get a value of 5 (A) with the final conclusion being promotion to group I/2.
3. Promotion Certificate with No. BB/Div/Bi/006/22 for employees with the initials PN who were promoted to group III/1 dated January 24, 2022.
4. Promotion Certificate with No. BB/Div/Bi/010/22 for employees with the initials SH who were promoted to group I/2 dated January 24, 2022.

##### Collective Labour Agreement (CLA)

Provisions related to work agreements have been contained in the Collective Labour Agreement (2018-2020), including regulating the rights and obligations of workers listed in detail, workers accepted have a minimum age according to



applicable regulations, PPE obligations, working hours, overtime, maternity leave, facilities provided to workers. and *BPJS*. It was further explained that the work agreement was written in Indonesian and signed by the worker and the certification unit. Collective Labour Agreement have been approved by the relevant agencies based on the Decree of the Head of the Manpower and Transmigration Office of Serdang Bedagai Regency. Article 24 states that if a new CLA has not been established on the expiration date, then the entire CLA will continue to apply until a new CLA has been ratified.

Based on interviews with estate and mill workers revealed that each worker had received wages in accordance with applicable regulations. It was further explained that until the audit activity took place, there had never been a violation regarding the payment of employee wages, in example:

1. Estate employee salary slip for June 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations. apply.
2. Overtime payment on June 2022 for workers who work more than 7 hours a day which details of overtime calculation is in accordance with applicable regulations. The salary is given by transferring to the bank account of each employee. Thus, the certification unit has carried

Based on field observations and interviews with mill, and estate employees revealed that the certification unit had paid employee wages and overtime in accordance with applicable regulations, further explained by the employee that there were no difficulties in applying for employee leave.

Based on field observations and interviews with employees in the estate and mill areas show that each employee has a work agreement with the certification unit and has understood the rights and obligations of being an employee of the certification unit

#### **6.2.2**

Employment agreements for permanent workers are covered in CLA. The certification unit shows example of work agreement for estate and mill employees which explains the terms of work, working time and wages, permits, social security, leave rights, facilities and PPE, worker obligations, training and development, discipline and sanctions, industrial relations, contract termination, etc. The contents of the work contract are in accordance with applicable regulations.

The certification unit shows the Memo Document from the Head of General Affairs with No. UM/PB/R/054/22 dated February 3, 2022 regarding the salary scale for non-staff in 2022. In the document it is known that the highest wages are employees with class VIII-10 with a value of IDR. 5,274,900 while the lowest salary is for employees with class I-1 with a value of IDR 3,231,000

Based on verification of work agreement documents and employee salary slips for the April – June 2022 period, it is known that all work agreements have been registered to the manpower agency. Regarding employee payroll, the certification unit has implemented a structure and scale of wages for employees with a service period of more than 1 year.

Based on the verification of employee salary slips show that the pay slips provide good information regarding wages, compensation and deductions for each employee. Based on interviews with estate and mill employees show that the certification unit always provides socialization related to item information in salary slips so that employees are not confused or misinterpreted.

Based on field observations and interviews with estate and mill employees, it is known that the certification unit has implemented labor regulations properly in accordance with applicable regulations. It was further explained that until now, there has never been a case related to employment.

#### **6.2.3**

The certification unit shows documents related to evidence of compliance with labor provisions as follows:

1. Estate employee salary slip for June 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations. apply.
2. Overtime payment on June 2022 for workers who work more than 7 hours a day which details of overtime calculation

is in accordance with applicable regulations. The salary is given by transferring to the bank account of each employee. Thus, the certification unit has carried

3. Menstruation leave document for a day on 27 June 2022.

Based on field observations and interviews with mill, and estate employees revealed that the certification unit had paid employee wages and overtime in accordance with applicable regulations, further explained by the employee that there were no difficulties in applying for employee leave.

Based on the above, the certification unit can show good documentation related to regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice.

#### **6.2.4**

The certification unit provides facilities and infrastructure for employee welfare. Based on field observations at employee facilities, the following are known:

1. Housing with livable conditions in the form of permanent buildings for workers located in estates and mills. Housing is provided for each family, while single employees occupy a house with 2 occupants.
2. The source of clean water comes from well water with suitable conditions for use. For central housing and factories get water supply from water treatment.
3. Medical services are provided by clinics located in each estate. The distance to health facility I is approximately 7 KM (about 15 minutes drive).
4. Educational facilities are available for Early Childhood Education (*PAUD*). As a supporting facility for school children, the certification unit has provided transportation facilities in the form of a pick-up bus.
5. Places of worship in the form of Mosque and Church. Sports facilities include soccer fields, volleyball and badminton. In addition, there are employee halls, child care facilities, and canteens that provide basic needs/ staple food for employees.

Based on field observations in residential areas, it is known that there are several stalls owned by employees that provide basic daily needs at affordable prices.

Based on document verification and interviews with mill and estate staff, it appears that the company has a budget for housing repairs prepared by Acting Engineer 1.

#### **6.2.5**

Certification unit is located in the center of the sub-district where the position of the plantation is already on the district road so that the crowds and population density as well as access to food ingredients is not too difficult. Due to its position in a crowded area, there are many basic food shops, markets, supermarkets, and traders who sell groceries on a mobile basis using transportation such as motorbikes or cars. Certification unit has made it easier for workers and their families to obtain food sources by providing access to vegetable/ food traders to sell in the workers' housing area. In addition, there are also workers who open small business stalls to sell daily necessities in each housing.

#### **6.2.6**

The certification unit has calculated the prevailing wages and in-kind benefits based on the guidelines issued by the RSPO. Prevailing wages are taken from prevailing wages such as basic wages/ minimum wages. Meanwhile, in-kind benefits are taken from all costs incurred by the certification unit for the provision and maintenance of facilities provided by the certification unit to employees, such as electricity, housing, water, schools, health facilities, and baby care. For example, to calculate the in-kind benefit of housing, the costs considered in the calculation include building material costs, construction costs, and including maintenance costs for 25 years (technical considerations of buildings are feasible to use). The calculation result of prevailing wages and in-kind benefits received by employees is IDR. 6,095,512/month (Minimum wages in 2022, IDR. 3,211,143/month + in-kind benefit, IDR. 2,884,369/month).

Based on the interview with the management revealed that the DLW calculation was adjusted based on the actual and rational price at certification unit location.

#### **6.2.7**

All workers working in the certification unit are permanent workers with class I-1 to VIII-10 and staff. Since 2020 until now there are no longer contract workers, casual daily worker and migrant workers. For work that is permanent in its entirety by permanent workers. Non-permanent work employed by contractor workers is maintenance workers in the plantation. For the work given to the contractor, it has completed the regulated requirements such as a work agreement, wages that match the minimum wage, providing PPE, being registered as a member of *BPJS*, the contractor has a business license (*SIUP*), certificate of company registration (*TDP*) and others.

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

Freedom of association has been mentioned in Ethics Policy No Doc: SOC/Dp/4.01-64, 5<sup>th</sup> Revision, dated 18<sup>th</sup> January 2016. Organizations understand that workers have the right to argued, associate and organize in a labour union. Organization committed to provides opportunities for workers to organize in unions and express an opinion.

Commitment covered in the policy are:

- The organization recognizes workers' rights to express their opinions and organize freely and responsibly run in labour union organizations.
- Organizational policies related to ensure workers rights are discussed and decided by taking into consideration the union.
- Ensured that the disclosure made by aspiration unions did not cause the collapse of a termination for union leaders and members.
- Promoting the principle of dialogue to reach consensus in addressing the aspirations from labour union to the company.

The certification unit showed the socialization document, which was held on December 18, 2021, which took place in the meeting room. The certification unit can show documentation and attendance list for the event.

Based on interview with labour union known that the certification unit has accommodated employee rights to argued, associate and organize in a labour union. Employees, including migrant and transmigrant workers and contract workers were allowed to form associations and bargain collectively with their employer. There was no migrant and transmigrant since August 2018 – July 2019.

There were worker union represent estate and mill employee incorporated in the *Serikat Pekerja Seluruh Indonesia PT Socfin Indonesia Bangun Bandar Estate* and registered in Disnaker, Serdang Bedagai Regency. *SPSI* management is independent from certification unit workers.

Labour laws, union agreements which described in *PKB (Perjanjian Kerja Bersama)* 2018 – 2020 and direct contracts of employment detailing payments and other conditions was made available in the languages which understood by the workers and explained carefully to them by management official.

Based on field observations and interviews with estate and mill worker revealed that the company routinely socializes related freedom of association and the delivery of employee complaints.

#### 6.3.2

The certification unit shows the minutes of the meeting of the worker union and the certification unit, for example the meeting on 11 January 2022 which is located in the ISO secretariat room and attended by members of the worker union. The meeting discussed the proposed increase in premiums in 2022. The certification unit can show documentation and attendance lists for the meeting activities.

Based on the foregoing, it is known that the certification unit already has good documentation regarding the internal meeting of the worker union.

### **6.3.3**

The certification unit shows a document for the formation of a worker union without any interference from the certification unit as follows Decree of the Head of the Manpower and Transmigration Department of Serdang Bedagai Regency regarding the Worker Union of PT Socfin Indonesia – Bandar Bangun for the 2022-2025 term of service

Based on interviews with worker union officials, it was revealed that the certification unit fully supports all organizational activities without any intervention. It was further explained that until the audit activity took place, there had never been a conflict of interest with the certification unit.

**Status: Comply**

## **6.4**

### **Children are not employed or exploited.**

#### **6.4.1**

Certification unit has policy regarding the age requirements of workers is contained in Collective Labour Agreement states that the requirement for accepting workers is at least 18 years old. Policies regarding the age of workers are also available in "Child Protection Policy", dated 1 June 2019 signed by Principal Director of PT Socfin Indonesia, which states that the certification unit shall not employ workers under 18 years old. Based on document verification revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor. The policy was socialized to workers on 09 March 2022 and to the contractor in 10 March 2022.

Based on field observation and interviews with estate and mill workers, known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of certification unit and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 25 years old when entering work in 2016.

#### **6.4.2**

The certification unit shows a list of employees accompanied by date of entry and date of birth. In addition, an example of proof of recruitment is also shown in the form of a copy of the employee's ID card and family card. From these data it is known that there are no employees under 18 years of age when accepted to work at the certification unit.

Based on field observations and interviews with estate, mill, and contractor employees revealed that there were no employees under the age of 18 when they started working.

#### **6.4.3**

The certification unit shows the 2022 Student List/ Internships document. In the document it is explained that there are 3 students from the Sumatra Institute of Technology who did an internship for 1 month from 02 June 2022. Based on interviews with the management revealed that these students did internships in the processing and mill office administration.

#### **6.4.4**

Based on interviews with the gender committee and workers in the field revealed that the workers had understood the rules regarding the prohibition of bringing children to work. The certification unit also showed the news of the socialization and education on child protection and development on December 18, 2021 attended by 43 participants.

**Status: Comply**

## **6.5**

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

**6.5.1 and 6.5.2**

The certification unit has a "Prevention of Harassment & Violence Policy", dated 1 June 2019, signed by the Principle Director of PT Socfin Indonesia. It explains that every worker is entitled to receive protection against sexual harassment in the workplace and sexual harassment is an offense and if convicted of sexual abuse offenders will be penalized in accordance with applicable regulations and protection of reproductive rights. The certification unit also has a documented SOP for making complaints regarding sexual harassment and violence, SOC/PSM/9.02, Edition 1 Rev.06, dated 1 March 2020. Complaints of gender issues can be submitted a written notification to the gender committee or to the certification unit management. All any gender issues reported will be review and investigate. The committee gender & certification unit has socialized to the employees, for example on 17 March 2022 and the representatives of the committee gender are available in each division. The policy has been socialized to all employees, starting from implementing workers, contractors, staff and their own management. This is evidenced by the existence of warnings with the sexual harassment, violence at work/reproductive rights at several points of operational locations, then the results of interviews with related workers and contractors stating that they understand these policies.

Based on interview with committee gender, estate and mill worker the policy had disseminated to workers through gender committee meetings with workers and in the last year period, that hasn't any issue/ incident related to sexual harassment, violence at work/ reproductive rights. All of the same benefits have been obtained by all female workers, starting from the provision of wages, leave, promotions, rice allowances, and other benefits, including the provision of special time while working to breastfeed their children. Based on documents verification related to reproductive rights, it is known that female workers have received the same benefits as male workers, including rice allowance with the same value as workers, given the same freedom of association, getting leave menstruation (H1) and maternity leave (H2), getting special time to breastfeed while working and placing the location/type of work that is not related to chemicals or other hazardous areas.

**6.5.3**

The certification unit has identified the needs of young mothers through gender committee meeting. Seen in the document of Schedule of Young Mother Needs Year 2022 that prepared by Gender Committee, consist of immunization, *posyandu* and giving break time for breastfeeding.

Furthermore, the certification unit showed the document Identification of the Needs of New Mothers who were pregnant since 2022. From the results of the assessment, several things were known as follows:

1. Provision of breastfeeding corners in each division.
2. Provision of daycare as a means of child care while working.
3. Setting the workload for mothers who have just given birth, the work location is prioritized around the ASI corner.
4. Increased understanding of mothers regarding child health, family health, breastfeeding, and child care patterns.
5. Support *posyandu* activities in the form of providing additional food for infants and pregnant women.
6. *PAUD* facilities for employees' children.

**6.5.4**

The certification unit has defined the system to deal with complaints and grievances for all affected parties which documented in Procedure of Social Complaint Handling - SOC/PSM/9.02) Rev.02 dated 1<sup>st</sup> June 2014. Person who responsible to receive complaints and grievances has assigned by organization that was *Pengurus Kebun (PK)*. It's also described in Job description of *Pengurus Kebun* and appointment letter from the head of General Department. In point 5.1 of the procedure, it is stated that the Company acknowledges personal confidentiality for complaints including whistle blowers, Human rights defenders, sexual violence, intimidation, and persecution by protecting the identity of the complainant.

The certification unit has had system to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner. Evidence that the procedures have been implemented is the logbook of complaint. Records are routinely monitored monthly.

Mechanism and procedure were provided a way for workers to report a grievance against a supervisor to someone other than the supervisor.

If the complaint is not resolved by deliberation and consensus, then the certification unit and the party submitting the complaint want a resolution through the Mediation Forum. The Mediation Forum meeting must take place at the location of the third party or other agreed place of neutrality.

Based on interviews with women workers in daycare, gender committees and worker union, it is known that they understand the related policies. it was further explained that so far there have been no problems or complaints related to reproduction in the workplace and they all know the mechanism to file a complaint.

Status: Comply

## 6.6

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

#### 6.6.1

The certification unit have policies related to no forced labour policy issued on 1 June 2019. The certification unit is committed to creating a fair and decent place to work for all its workers. The policy explains that the certification unit prohibits all forms of forced labour or human trafficking and all work at certification unit is voluntary. The certification unit specifically prohibits:

- a. Retention of identity documents or passports
- b. Payment of recruitment fees associated with recruiting and employing migrant workers
- c. Contract substitution
- d. Forced overtime work
- e. Lack of freedom for workers to resign
- f. Sanctions for termination of employment
- g. Bonds of debt
- h. Holders of wages

Based on employee data review, most of the workers came from local communities, Javanese, Banten, Malay, Batak Madura, Banjar, Minang, Betawi, and Acehese. In employee list July 2022, known that there is no migrant workers or forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker. Most of the workers came from local communities. They have the recruitment process in the certification unit and is in accordance with applicable employee acceptance procedures. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker, for example:

- a. There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- b. There is no contract substitution, because there is no worker with contract status.
- c. The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to work and the company gave all their rights as fully resigned workers without any shortcomings.

There is no coercion in doing overtime work, workers who do overtime at the certification unit can refuse if ordered to do overtime activities because overtime is not the worker's obligation, and the certification unit also does not prohibit this.

Based on document verification, field observation, interviews with workers, gender committee, and workers union, auditors did not see any harvester accompanied by their children and any indication of forced labour. There is no threat against family members. Based on document verifications and field observations in spraying & harvesting activities at Estate and Mill operations activities, there were no forms of forced or trafficked labour are used.

#### 6.6.2

There are no migrant workers who work in the certification unit's operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in certification unit regulations, collective labor agreements, and in work agreements. Based on the employee list, it is known that all employees are permanent and 3<sup>rd</sup> party worker. In addition,



based on interview with labour union board sighted that so far, there has never been a penalty for termination of employment, bonded labour 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 certification unit can show a OHS Committee decision letter at PT Socfin Indonesia from the North Sumatra Provincial Manpower Agency, including for the Bangun Bandar Factory unit number 195-7/DTK/WIL II/SU/2021 on March 18<sup>th</sup>, 2021. OHS Committee secretary Wisnu Hargo based on the letter from the Minister of Manpower of the Republic of Indonesia Number 5/8156/AS.01.03/VI/2022 on July 1<sup>st</sup>, 2022 regarding the appointment of general OHS experts and certificates OHS Expert No. 5/1539010722/AS.01.03/VII/2022 on July 01<sup>st</sup>, 2022. OHS Committee secretary with OHS expert authority card license No. 1539010722/Q-AK3U/12/VII/2022 on July 01<sup>st</sup>, 2022 and valid until July 01<sup>st</sup>, 2025.

- On July 14<sup>th</sup>, 2022 at 02.30 p.m until the end of the OHS Committee meeting which was attended by 15 people. The results of the meeting and evaluation include :
  - In June there were no work accidents in the plantations or factories.
  - Conduct regular briefings
  - Installation of symbols and warning signs regarding OHS
  - Socialize to employees while maintaining a clean environment
  - Explain the risks to the work performed
- June 13, 2022 at. 14.00 until the end of the P2K3 meeting which was attended by 15 P2K3 members. P2K3 management evaluates P2K3 performance in May 2022. The results of the meeting and evaluation include:
  - Remind all workers to always do OHS
  - Everyday so that briefings related to drugs and covid-19, work instructions and production achievements.

Based on the results of observations and interviews with fertilization employees in division 4, it is known that employees have understood work instructions and potential work hazards. Employees use PPE according to company standards, including using rubber gloves, safety cloth, boots, and masks

### 6.7.2

The unit of certification has emergency preparedness and response procedures number SOC/PSM/4.08 05<sup>th</sup>, Revision on April 1<sup>st</sup>, 2014 approved by the General Manager and Principal Director. Guidelines for handling emergencies include handling chemical spills, levees of liquid waste ponds, embankments of BBM and B3, earthquakes, landslides, high tides in Belawan installation tanks, emergency conditions on Tugboats, handling of boiler explosions, explosions in engine rooms and tools. other processors, fires in plantations and factories. The description of emergency response procedures includes preparation, action during an emergency, post-emergency, and Environment, Occupational Safety and Health patrols.

The certification unit has 2 first aid officers, namely :

- Citra Selviana Number of Certificate 05/26046/AS.02.02/XI/2021 training organizer PT. Safindo Raya and first aid officer license No. 1014/DTKDT/SU/XII/2021 valid until December 1<sup>st</sup>, 2024.
- Ihsan Arisandy Putra, Number of Certificate 05/26048/AS.02.02/XI/2021 training organizer PT. Safindo Raya and first aid officer license number 1016/DTKDT/SU/XII/2021 valid until December 1<sup>st</sup>, 2024.

The certification unit conducted a socialization on first aid conducted by Citra Selviana on November 24<sup>th</sup>, 2021 at the Division Office 4 which was attended by 16 peoples. The things that were socialized were reminding them about the contents of the first aid kit, how to use the contents of the first aid kit and how to handle first aid for patients in the field.

Based on the results of observations and interviews with employees and the Maintenance Foreman in Division 4, it is known that the employees and the Foreman have understood the use of first aid kits and the handling of first aid in the

field. Division 4 maintenance foreman brings first aid kits to the field as many as 21 types of goods which are monitored for completeness once a month.

The Certification Unit has a report on work accidents and lost working days at the Bangun Bandar mill and estate in 2021. In the period January to December 2021, the factory unit has 1 work accident and lost 24 working days, while in the plantation unit there are 4 work accidents and 174 lost days work. The certification unit has evaluated and focused more on identifying the potential hazards of work impacts in the garden unit by increasing socialization related to safety and monitoring applications in the field

#### **6.7.3**

The Certification Unit has procedures related to the control of Personal Protective Equipment (PPE) Number SOC/PSM/4.21 02<sup>nd</sup> Revision on October 1<sup>st</sup>, 2010 which was approved by the Head of General Affairs. The purpose of this procedure is to ensure that the PPE provided by the company is received, distributed, and used by workers according to its function and is properly controlled in accordance with the identification of potential hazards in the worker's work environment. The procedures related to the control of PPE regulate the following:

- Procedure for taking PPE, that is, workers who need PPE report to their superiors for approval to get PPE
- Use, care and storage of PPE is all workers who have received PPE in accordance with the identification of needs in their workplace are required to maintain and maintain the PPE that has been provided
- Replacement is. PPE can be replaced if it is damaged and unfit for use. The period of use of PPE can be used to get a new replacement in accordance with the conditions of the PPE approved by the technician or assistant.
- Disposal and Destruction, namely PPE that will be destroyed according to the Waste Control Procedure

Based on observations at the Boiler station and interviews with Boiler operators, it is known that employees understand the potential hazards in their work units, PPE is given free of charge, replaced if PPE is not suitable for use and employees have worn PPE in accordance with what the company has determined including wearing leather gloves, helmets, protective cloth, safety shoes and goggles. In addition, there is proof of the handover of PPE on July 1<sup>st</sup>, 2022 in the form of safety shoes and helmets for boiler operators and company has spare PPE.

#### **6.7.4**

The certification unit has shown participation and letter of payment for Employment Assurance:

- Letter of payment for Employment Assurance for 754 employees for the period of April 2022 which was paid on May 10<sup>th</sup>, 2022.
- Letter of payment for Employment Assurance for 747 employees for the period of May 2022 which was paid on June 09<sup>th</sup>, 2022.
- Letter of payment for Employment Assurance for 740 employees for the period of June 2022 which was paid on July 11<sup>th</sup>, 2022.

In addition, there is proof of membership and letter of payment of the following Health Assurance:

- Letter of payment for Health Assurance for 754 employees for the period April 2022, which was paid on April 9<sup>th</sup>, 2022.
- Letter of payment of Health Assurance for 747 employees for the period of May 2022 which was paid on May 10<sup>th</sup>, 2022.
- Letter of payment of Health Assurance for 740 employees for the period of June 2022 which was paid on June 9<sup>th</sup>, 2022.

The unit of certification has shown evidence related to the company's responsibility for work accidents experienced by employees. For example, there was a work accident on behalf of Adi Kuswoyo as a Buffalo Operator on March 2<sup>nd</sup>, 2021 which injured his eye. Employees were brought to the clinic of PT. Socfindo was then referred to the hospital Chevani Tebing Tinggi. Employees are treated at the hospital Chevani until he recovered with the issuance of a statement from the doctor that the employee has recovered. The certification unit submits a work accident claim to Assurance by attaching a statement letter from the employee's representative from the company, a doctor's certificate of work accident cases and a assurance form in the form of a work accident case report. Employees are not charged, and all costs incurred because of this work accident are borne by Assurance Employees. Workers know and hold BPJS cards

**6.7.5**

The unit of certification still consistently monitors the recording of work accidents by calculating the Loss Time Accident (LTA). Recapitulation of work accidents with a formula to find the severity and frequency of accidents. This document informs the time, total of working days, total of ineffective working days, overtime, total of hours worked, total of accidents, total of lost working days, the hours worked a year, total of accidents in a year, the days lost in a year. The calculation of the Severity Level and the Frequency Level is reviewed periodically, and the monitoring will be evaluated at the monthly meeting of the Occupational Health and Safety Committee. For example, in the period from January to December 2021, in estate had 1 incident, had a lost time of 24 times, a severity level of 808.06 and a frequency level of 60.10, while a factory unit had 4 incidents, had a lost time of 174 times, a severity level of 1,049.54 and a frequency level of 9.22

**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 unit of certification has procedures related to plant pest control, including:

- Work Instructions for Weed Control in Oil Palm Plants No. SOC-KKS/IK/13 Document 3<sup>rd</sup> Revision on January 01<sup>st</sup> 2020 which was ratified by the Head of Plant Section
- Work Instructions for Integrated Pest Control Oryctes rhinoceros No. Document SOC/PSM/7.10-11 05<sup>th</sup> Revision on October 01<sup>st</sup> 2020 which was ratified by General Manager and Principal Director
- Work Instructions for Integrated Pest Control of Oil Palm Leaf-eating Caterpillars No. Document SOC-PSM/7.10-13 06<sup>th</sup> Revision on January 13<sup>th</sup> 2020 which was ratified by the General Manager and Principal Director
- Work Instructions for Integrated Rat Pest Control No. Document SOC/PSM/7.10-21 03<sup>rd</sup> Revision on January 13<sup>th</sup>, 2020 which was ratified by the General Manager and Principal Director

The unit of certification shows the realization of Beneficial Plant planting until July 2022, namely :

DIVISION	TOTAL (m)			
	<i>Casia Cobanensis</i>	<i>Turnera Subulata</i>	<i>Antigonon Leptopus</i>	<i>Crotalaria Sp</i>
I	1,000	-	-	5,000
II	-	-	400	4,000
III	775	130	129	3,600
IV	5,000	-	-	6,000
<b>TOTAL</b>	<b>6,775</b>	<b>130</b>	<b>529</b>	<b>18,600</b>

Based on observations in Block 57 Division I and Block 78 Division 4, *Turnera Subulata*, *Antigonon Leptopus* and *Casia Cobanensis* are growing well along the main road estate.

In addition, the certification unit has a sycahus house in an area that functions for captive sycahus, located in the Tanjung Maria Division 4 residential area as one of the developments of natural enemies of pests to deal with caterpillars that eat oil palm leaves.

The certification unit also shows monitoring records of rat pests, oil palm leaf-eating caterpillars, and oryctes pests for the period January – July 2021 for all divisions that inform total of plants in the census and attack criteria. Based on the results of monitoring the rat and caterpillar pests, the category is mild so that there is no chemical control. Meanwhile, Oryctes pests are categorized as moderate so that chemical control is carried out. For example, there is the realization of controlling Oryctes in Block 78 Division 4 using Santador brand chemist with a dose of 75 mm/Ha.

Based on field observations, the certification unit also planted *Mucuna Bracheteata* legumes in immature plantation areas such as Blocks 80, 83, 84 and 85 Division 4

**7.1.2**

Based on document review and field visits, it is known that the certification unit uses natural pest control agencies including: *Turnera Subulata*, *Antigonon leptopus* and *Casia Cobanensis*, *Mucuna Bracheteata* and *sycanus* which species are not classified as invasive species according to Ministry of forest and environment Regulation Number 94 on 2016

### 7.1.3

The unit of certification has procedures related to plant pest control, including:

- Work Instructions for Integrated Pest Control *Oryctes rhinoceros* No. Document SOC/PSM/7.10-11 05<sup>th</sup> Revision on October 1<sup>st</sup>, 2020 which was ratified by General Manager and Principal Director
- Work Instructions for Integrated Pest Control of Oil Palm Leaf-eating Caterpillars No. Document SOC-PSM/7.10-13 06<sup>th</sup> Revision on January 13<sup>th</sup>, 2020 which was ratified by the General Manager and Principal Director
- Work Instructions for Integrated Rat Pest Control No. Document SOC/PSM/7.10-21 03<sup>rd</sup>, Revision on January 13<sup>th</sup>, 2020 which was ratified by the General Manager and Principal Director

For example in controlling caterpillars that eat oil palm leaves in Biological Certification Units, manual sampling, controlling caterpillars with non-class I A and I B insecticides and the fogging method and no pest control using fire.

**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 unit of certification shows the use of pesticides and the target weeds and pests controlled by 2022, as follows :

Pesticide	Ingredients	Target	Dose
Ally 20 WG	Metil Metsulfuron 20%	broadleaf weed	12.5 gr/Ha
Amistartop 325 SC	Azoxistrobin 200 g/l, Difenokonazol 125, g/l	<i>curvularia maculans</i> , <i>pestalotiopsis palmarum</i>	0.84 – 1.4 Lt/Ha
Basta 150 SL	Amonium Glufosinat 150 g/L	Weeds with broad and narrow leaves	400- 500 ml/Ha
Becano	Indaziflam 500 g/l	Weeds with broad and narrow leaves	0.5 – 1 kg/Ha
Cypertop	Cypermethrin 200%	<i>Oryctes, rhinoceros</i>	75 cc/Ha
Dacomin 865 SL	2,4-D Dimethyl Amina 865 g/l	broadleaf weed	75 cc/Ha
Gallant 108 EC	Haloksifop 104 g/l	Systemic herbicide	0,3 gr/Ha
Garlon 670 EC	Triklopir butoksil ester 670 gr/l	broadleaf weed	0.3 – 0.6 lt/Ha
Gulmaron 80 WP	Diuron 80%	broadleaf weed	1..5 – 2.5 Kg/ha
Manzate 82 WP	Mancozeb 83%	penyakit gugur daun	2 Kg/ha
Roundup 486 SL	Isopropiamina Glifosat 486 g/l	Weeds with broad and narrow leaves, <i>imperrata cylindrica</i>	0.5 Lt/Ha
Santandor 25 EC	Lamda sihalotrin 25 g/l	<i>Oryctes, setothosea asigna</i> , <i>darma trina</i>	0.045 – 0.7 Lt/Ha
Starane 290 EC	Floroksipir 295 g/l	broadleaf weed	0.05 Lt/Ha
Starthene 75 WG	Asefat 75%	<i>Mahasena corbetti</i> , <i>setothosea asigna</i> , <i>darma trima</i>	2.145 Kg/Ha

All pesticides used are officially registered pesticides

### 7.2.2

The unit of certification has a record of pesticide use including the active ingredients used and LD50, application area, amount of pesticide use as follows :

Nu.	Pesticide	Ingredients	LD 50	Pesticide		Ingredients		Area (Ha)
				Total	Unit	Total	Unit	
1	Ally 20 WG	Metil Metsulfuron	5,000	349.75	Kg	69.950	Kg	3,379.2
2	Garlon Mix	Triklopir butoksi etil	2,000	5.50	Lt	0.138	Kg	108.5
3	Round Up	Glifosat 486 g/Lt	9,041	11,682	Lt	5,677	Kg	3,798.2
4	Santador	Lamda sihalotrin 25	235	2,080.4	Lt	52.01	Kg	2,288.1
5	Starthene	Asefat 75%	945	8,118.7	Kg	6,089	Kg	2,665.4

### 7.2.3

The unit of certification has a plan and realization of reducing the use of pesticides and replacing them with natural enemies in accordance with the IPM plan. The following shows an example of data on pesticide use from July 2020 to August 2022 :

Pesticide	Ingredients	Unit	2021	2022
Ally 20 WG	Metil Metsulfuron 20%	Kg	349.75	102.81
Amistartop 325 SC	Azoxistrobin 200 g/l	Lt	129.70	57.15
Brochonil 75 WP	Klorotalonil 75%	Lt	21.70	18.50
Cypertop 200 EW	Cypermethrin 21%	Lt	2,011.35	1,041.27
Dacomin 865 SL	2,4-D Dimetil amina 865 g/l	Lt	1,302.00	325.90
Gulmaron 80 WP	Diuron 80%	Kg	1,748.46	1,613.49
Roundup 486 SL	Isopropil amina glifosat 486 g/l	Lt	11,682.62	5,070.36
Santador 25 EC	Lamda Sihlotrin 295 g/l	Lt	2,080.47	1,078.71
Starthene 75 WG	Asefat 75%	Lt	8,118.69	1,821.91

to reduce pesticides, the certification unit uses natural pest control agencies spread across Divisions I, II, III and IV of Bangun Bandar, including through the cultivation of Turnera Subulata, Antigonon Leptopus and Casia Cobanensis, Mucuna Brachteata and sycanus.

### 7.2.4

The unit of certification has a policy of prohibiting the use of pesticides in a preventive manner to control pests and diseases (prophylactic). Document SOC/PSM/7.10-11 05<sup>th</sup> Revision on October 01<sup>st</sup> 2020 Point. 5.1

Based on field observations, there is an application of Oryctes Rhinoceros pest control in Block 78 Division IV chemically using Santador brand chemicals at a dose of 75 mm/Ha. Oryctes pest control is carried out because of the mild to severe attack category as one of the impacts of replanting activities and the application of compost

### 7.2.5

Based on field observations, review of documents on pesticide use in 2022, interviews with Division IV spray foreman and pesticide stocks in warehouses, there was no use of pesticides included in the WHO class 1A, 1B list or included in the Stockholm or Rotterdam Conventions and paraquat

### 7.2.6

The unit of certification can show recordings of training related to the use of pesticides, for example those conducted on January 19<sup>th</sup> 2022 at 02.30 p.m until finished at Bangun Bandar Estate. The material presenter in this activity was the Plant Staff and the activity was attended by 20 employees consisting of spray workers, spray foreman and division assistants.

The unit of certification can also show records of training related to Toxic and Hazard Materials control and chemical handling which was carried out on February 16<sup>th</sup> 2022 Pkl. 14.00 until finish at Bangun Bandar Estate. The material presenter in this activity was the Sustainability Staff and the activity was attended by 27 employees consisting of foreman, employees, assistants and others.

The unit of certification also evaluates the training participants regarding the understanding of the material and its application in the field

**7.2.7**

Based on the results of visits to the pesticide storage warehouse in Bangun Bandar Estate, it is known that the warehouse has been equipped with fire extinguisher, first aid kits, ventilation, MSDS, etc. in accordance with Government Regulation no. 74 of 2001 concerning Control of Hazardous and Toxic Materials. Storage of chemicals is neat and in accordance with the character of the material. Chemical storage warehouse is made permanent, there are pallets, B3 symbols and there is ventilation for air circulation.

**7.2.8**

The Certification unit has a Waste Control Procedure No. SOC/PSM/4.11 revision 5 dated October 1, 2018 which contains procedures for managing types of waste including domestic waste, industrial waste and hazardous waste including pesticide waste. In addition, the pesticide waste management plan has been included in the waste management plan document of PT Socfindo Bangun Bandar in 2021 which is evaluated regularly every 1 year.

In its implementation, the management unit manages pesticide waste by storing pesticide packages in licensed hazardous waste temporary warehouse and handing them over to licensed transporters who have established cooperation with the company. Hazardous waste management cooperation can be seen in the agreement for hazardous waste management between PT Socfindo and PT Amindy Barokah Sumut with agreement Number: 154/SI-ABS/SPK-LB3/VII/2021 dated July 2, 2021, which is valid for one year. The transportation of hazardous waste used for pesticide packaging was last carried out on 23 May 2022 by licensed transportation of PT Amindy Barokah according to the KLHK-1657438431 manifest of 0.198 tons.

Based on the letter, the hazardous waste management plan that is carried out is to wash it 3 times in a special place (mixing area) the used washing water is managed by being accommodated in a special reservoir and reused for activities according to the characteristics of hazardous and waste recording and reporting to the Ministry of Environment and Forestry every 3 months.

Based on field visits and interview with pesticide warehouse operator and the temporary storage area for hazardous and toxic waste in the estate and rinse room, it was found that the pesticide storage area was well managed, oil traps were available, adequate and isolated airways so there was no potential for pesticide exposure to leave the warehouse. Before being stored in a temporary storage place for hazardous and toxic waste or reused the used pesticide packaging (for similar characteristic) in the form of jerry cans is rinse first, before ready to use. The company already has a mixing room to rinse used pesticide container and used fertilizer sack, after to rinse it is storage on specially storage.

**7.2.9**

Based on the results of interviews with Division IV assistants and field observations, it is known that there is no spraying of pesticides through the air. The prohibition of spraying through the air to control pests is stated in the procedures for example the Integrated Pest Control of Oil Palm Leaf-eating Caterpillars No. SOC/PSM/7.10-13 January 13<sup>th</sup>, 2020 Point 5.6

**7.2.10**

The certification unit showed the results of the 2022 special and periodic Health examination conducted by the Anugerah Clinical Laboratory on 24 May 2022 to 192 estate workers. From the results of the special medical examination, it was known there is no workers who experience health problems due to work. All workers are healthy and fit to work

**7.2.11**

The Reproductive Rights Policy dated June 1, 2019 states, among other things:

- a. Pregnant women do not perform tasks related to hazardous chemicals.



- b. Breastfeeding women do not perform chemical-related tasks until after 9 months and have adequate rest time to breastfeed their babies.

The certification unit has a mechanism to identify pregnant and lactating workers with the following details:

- The employee submits a medical treatment letter to the foreman/foreman 1.
- The letter is brought to the assistant for approval for treatment.
- Employees go to the polyclinic for examination.
- The doctor/nurse makes a pregnancy certificate (if positive).
- Letter is submitted to assistant for approval.
- Assistant makes job transfer/mutation letter from spray job.

Based on the interviews with spraying workers, it is known that there are no pregnant or lactating workers who work in pesticide-related jobs, menstrual monitoring is carried out every month to ensure that there are no pregnant women working related to pesticides. If there are workers who are breastfeeding or pregnant, they will be transferred to the work of removing nuisance plants.

Based on the above, it is known that the certificate holder already has a policy of not spraying for pregnant/ breastfeeding women and a procedure to identify pregnancy for female pesticide applicators so that this is declared appropriate.

**Status: Comply**

### 7.3

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

#### 7.3.1

The company shown evidence that the waste has been identified based on toxicity and hazardous characteristics, and then managed in accordance with waste management procedure and government regulation. The waste identification and management plan stipulated in document of Waste Source Identification and Management. Has been identified the source of waste and pollution from Mill and Estates. For example, engine room produce emission from generator, sterilizer station produces solid waste and scattered loose fruit, chemical storage produces solid waste, such as ex chemical container, etc.

#### POME

The waste treatment process in the factory with the WWTP pond system. Before being used on plantation land, all wastewater is treated first in the WWTP pond until it reaches the permissible quality standards for wastewater utilization with the provisions of pH 6-9, TSS 250 mg / l, COD 350 mg / l and BOD ≤ 100 mg / l. Bangun Bandar POM has a permit for POME management and disposal to surroundings (surface water) in accordance with stipulated requirements.

#### Solid Waste (Fiber, Shell and EFB)

The company utilizes fiber and shells as boiler fuel, while EFB is to be composting afterward applied to plantation land as fertilizer for oil palm plants.

#### Hazardous and Toxic

The company also has a permit for the Temporary Storage of Hazardous and Toxic Waste by Hazardous Waste Temporary Storage Permit from DPMP2TSP Serdang Bedagai Regency Number: 0020/34/XI/DPMP2TSP-SB/2020 dated 6 November 2020 which is valid for 5 years, location on Bangun Bandar POM, Aras Panjang village with coordinate N 030 19'45,5" and E: 0990 02' 36,7". There is permit for Temporary Storage of Hazardous and Toxic Waste from Head of the Office of Investment and One Stop Integrated Licensing Service of Serdang Bedagai Regency Number: 0002/34/DPMP2TSP-SB/III/2019 dated March 5, 2019 which is valid for 5 years location on location on divisi 4 Tanjung Maria village with coordinate N 030 18'37, 7064 and E 0990 03'12,5424".

Based on field visits at residential locations, warehouse for Hazardous and Toxic Waste and warehouse for fertilizers and chemicals in PT Socfin Indonesia, it was found that the company had carried out management related to Hazardous and Toxic Waste and non-Hazardous and Toxic Waste in accordance with established procedures.

**7.3.2**

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

- Domestic waste: based on field observation, the company has collected domestic waste periodically and dump it to the landfill and it's known that location of landfill is far away from waterways and the housing area.
- Empty fruit bunch is composting before applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduces the carbon emission from the combustion of fossil fuel.
- POME managing on WWTP before disposal the environment (surface water) according to the threshold set by the government.
- The managing for clinical waste, the company also has cooperation with licensed parties such as PT Amindy Barokah.

Based on a field visit at the Temporary Storage for Hazardous and Toxic Waste, it was found that the PT Socfin Indonesia Temporary Storage for Hazardous and Toxic Waste had a permanent design with adequate ventilation and a roof that would not be exposed to rainwater and had a watertight floor. The temporary storage place for hazardous and toxic waste is equipped with SOP for storage of hazardous and toxic waste, SOP for emergency response procedures, logbooks, symbols on buildings, safety signs, fire extinguishers, first aid facilities, emergency alarms/bells, lighting lamps and facilities. emergency response tool (spill kit) for spills in the form of sawdust/fiber.

Base on-field visit explains results of field visit related to waste type are properly disposed of based on toxicity and hazardous characteristics.

Based on an interview with the manager related to the disposal of domestic waste, by separating organic and inorganic waste. Afterward, fiber and shell are managed by renewable energy usage for boiler and palm oil mill effluent (POME), managed by the effluent pond and land applications as a nutrient cycle.

The company has been develop an *ecobrick* program to manage inorganic domestic waste for period 2021 – 2022, for the implementation of the program consist of:

- Separation of organic and inorganic waste.
- Utilization of plastic waste in housing as furniture.
- Prohibition of the use of bottled mineral water for employees and the provision of drinking water bottles.

The certification unit shown the reports on the management of domestic waste in the area around the housing complex for period 2022, evidence of the installation of new signboards in several housing locations, clean Friday program, socialization to employees and employees' families accompanied by photo evidence of activities dated 24 January 2022 related hazardous waste and domestic waste management.

**7.3.3**

The Certification unit has a Waste Control Procedure No. SOC/PSM/4.11 revision 5 dated October 1, 2018 which contains procedures for managing types of waste including domestic waste, industrial waste and Hazardous Waste including pesticide waste. In addition, the pesticide waste management plan has been included in the waste management plan document of PT Socfindo Bangun Bandar in 2022 which is evaluated regularly every 1 year.

Based on field observations to employees housing areas during audit as well as visits to several plantation locations, no indications of burning waste were found.

<b>Status: Comply</b>
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**7.4**

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

**7.4.1**

The unit of certification has procedures for soil analysis and leaf analysis as one of the tools used to determine the nutrient status of the soil and serve as one of the guidelines in formulating fertilizer recommendations. Soil samples were taken every 10 -12 years while leaf samples were taken once a year.

In addition to chemical fertilizer application programs in Divisions I, II, III and IV, based on field observations, there is also application of compost fertilizers in Blocks 83 and 92 Division IV Bangun Bandar Estate Unit. The certification unit has a soil fertility management program and the realization of compost applications in 2022. The following is the realization data for compost applications for the period January 1<sup>st</sup> to June 30<sup>th</sup> 2022 :

STATUS	TOTAL	COMPOST PLANNING							
		KG/ PLANT	KG	JAN	FEB	MAR	APR	MEI	JUN
TM	30,235	105	3,637,650	375.050	489.620	804.450	1.014.390	394.390	-
N2 (2020)	25,742	100	2,574,200	-	-	-	-	-	-
N1 (2021)	55,285	100	5,528,500	403.040	237.670	615.670	425.740	447.630	792.060
N0 (2022)	38,737	50	1,936,850	-	4.370	163.750	97.150	330.140	163.090

Compost application in the N2 area (planting year 2020) is planned for 2,574,200 Kg in August and November 2022. In addition, the company has procedures regarding plant maintenance, plant pest control, harvesting, environmental management, sustainable plantation policies, FFB processing processes, and others.

#### 7.4.2

The unit of certification has a leaf and soil analysis policy as the basis for determining the fertilization program, including:

- Palm Leaf Analysis Procedure No. SOC/PSM/7.10-16 on April 1<sup>st</sup>, 2015 01<sup>st</sup> Edition 01<sup>st</sup> Revision, it is known that leaf sampling is carried out every year.
- Soil Analysis Procedure No. SOC/PSM/7.10-15 on November 1<sup>st</sup>, 2018 01<sup>st</sup> Edition 03<sup>rd</sup> Revision, it is known that soil sampling is carried out every 10 – 12 years on blocks that have been determined as fertility monitoring blocks.

The unit of certification has carried out leaf and soil analysis, as follows:

- Leaf Analysis No. L2021-966/LAB-SSPL/VI/2021 on June 2<sup>nd</sup>, 2021 with 84 samples. The parameters examined include: N; P; K; Ca; Mg
- Soil Analysis Results from Bangun Bandar Analytical laboratory No. S15-006/LAB-SSPL/II/2015 on January 11<sup>th</sup>, 2015 with a total of 34 samples. The parameters examined include: pH-H<sub>2</sub>O, pH-KCl, Sand, Silt, Clay, N, C, P-Bray, CEC, K, Ca, Mg and Na

#### 7.4.3

The certification unit has a program and realization of compost application in 2022. Following are the data on the realization of compost application for the period January 1<sup>st</sup> to 30<sup>th</sup> June 2022 :

STATUS	TOTAL PLANT	COMPOST PLANNING							
		KG/ PLANT	KG	JAN	FEB	MAR	APR	MEI	JUN
TM	30,235	105	3,637,650	375.050	489.620	804.450	1.014.390	394.390	-
N2 (2020)	25,742	100	2,574,200	-	-	-	-	-	-
N1 (2021)	55,285	100	5,528,500	403.040	237.670	615.670	425.740	447.630	792.060
N0 (2022)	38,737	50	1,936,850	-	4.370	163.750	97.150	330.140	163.090

Compost application in the N2 area (planting year 2020) is planned for 2,574,200 Kg in August and November 2022. In addition, there is the implementation of empty bunches and land applications

#### 7.4.4

The unit of certification shows the realization of fertilizer use until July 2022, as follows :

Fertilizer	Status
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	New Planting	Immature	Mature	Total	FFB Production	Fert./Ton FFB
Borate		1.47	2.68	4.14	48,731	0.00009
KCL			4.30	4.30	48,731	0.00009
Kieserite		33.18	276.93	310.11	48,731	0.00636
NPK-12-12-17-2			1,167.74	1,167.74	48,731	0.02396
NPK-15-15-6-4			74.15	74.15	48,731	0.00152
RP	19.95		7.95	27.90	48,731	0.00057
Urea	2.89		3.90	6.79	48,731	0.00014

**Status: Comply**

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

### 7.5.1

The unit of certification already has a Bangun Bandar Estate Soil Texture Map with a scale of 1: 25,000. Based on the map, it is known that the types of soil found in the company area include:

Soil Type	Total Area (Ha)
Alluvial complex	13,44
Aquic dystrodepts	518,17
Aquic paleudult	384,75
Rhodic paleudult	20,49
Typic dystrodepts	471,91
Typic endoaquept	128,05
Typic eutrodepts	1.040,60
Typic paleudult	1.412,75
Typic udorthents	154,23
Typic Haplohemist	2,46
<b>Total</b>	<b>4.146,85</b>

The unit of certification already has a map of the slope of the land with a scale of 1: 25,000 with the following details:

Type of Slope	Percentage Slope (%)	Total Area (Ha)
Flat	0-8	2.096,01
Undulating	8-15	1.229,76
Hilly	15-30	637,60
Hilly	30-40	183,48
<b>Total</b>		<b>4.146,85</b>

Based on field observations in the replanting area, including in block 15 Division III, there is no potential for erosion and soil degradation because the replanting area is in a flat area.

### 7.5.2

The replanting area at PT. Socfindo does not have a slope of more than 25°, but the dominant area is flat. Based on field observations, including in Block 19 Division III, no replanting activities were found on the steep sloped land area

### 7.5.3

The unit of certification did not clear new land, but the company did the conversion from rubber plantations to oil palm plantations. Based on the results of field visits in conversion areas, for example Division III block 21, no planting was found on land with steep slopes

**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

Based on the results of the study of the area statement document, it is known that the company only carries out replanting and development activities by converting rubber plantations in the HGU area to oil palm with the following details :

Year of Planted	Ha
2008	27,26
2009	71,64
2010	55,49
2012	16,88
2013	45,24
2014	38,37
2015	67,96
2016	33,39
2017	91,20
2018	111,98
2019	233,26
2020	149,35
2021	263,09
<b>Total</b>	<b>1.205,11</b>

The unit of certification can show the Semi-Detailed Soil Survey Report for February 2008 related to the Study on Land Suitability for Conversion of Rubber to Oil Palm. The document informs the potential land suitability as follows :

Sub-class of land suitability		Area	
Limiting Factor	Potential	Ha	%
Nutrient	S1	505,94	41,98
Nutrient, slope	S1	215,91	17,92
slope, Nutrient	S1	60,45	5,02
slope, Nutrient	S2	39,56	3,28
slope, Nutrient	S3	19,26	1,60
Nutrient	S1	128,15	10,63
Nutrient, slope	S1	84,62	7,02
slope, Nutrient	S1	37,07	3,08
slope, Nutrient	S2	20,00	1,66

slope, Nutrient	S3	39,36	3,27
Nutrient	S2	23,00	1,91
Nutrient, texture	S2	31,79	2,64
<b>Total</b>		<b>1.205,11</b>	<b>100</b>
<i>notes: S1 (Suitable); S2 (Moderately Suitable); S3 (Marginal Suitable)</i>			

**7.6.2**  
The unit of certification does not undertake extensive planting on marginal and fragile soils. Based on the results of field visits in conversion areas, for example Division III block 21, no planting was found on marginal and fragile soils

**7.6.3**  
Based on the feasibility study for converting rubber to oil palm in the Tanjung Maria plantation, Serdang Bedagai Regency in February 2008, it is known that the slope classes vary from 0-4°, 4°-9°, 9°-17°, 17°-22° and slopes >22°. Based on the characteristics of the landscape, this area is generally relatively flat which includes a slope of 0-4° and spreads in Divisions 1 and 2. This is used as a guide in conversion activities from rubber to oil palm, for example based on the results of the study of the related Land Clearing Work Agreement document. Conversion Program between PT Socfin Indonesia and CV Kencana Jaya No. PD-GM/X/Bi/576/2021 on November 25<sup>th</sup>, 2021 with details of the work including ripping, chipping stems and stumps, hoeing and making continuous terraces

	<b>Status: Comply</b>	
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**7.7**  
**No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.**

**7.7.1, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6, 7.7.7**  
The semi-detailed soil survey and assessment report of Bangun Bandar Oil Palm Estate located in the District of Serdang Bedagai, North Sumatra Province was carried out by Param Agricultural Soil Survey. Based on the results of the soil survey, there are several types of soil in Bangun Bandar POM, namely Typic Paleudult, Aquic Paleudult, Typic Udorthents, Aquic Dystrudepts, Typic Endoaquepts, and Typic Haplohemists and there is no type of peat soil.

In addition, based on the circular letter of the Ministry of Forest and Environment No. S.184/PPKL/PKE/PKL-0/12/2017 On December 05<sup>th</sup>, 2017 that PT. Socfin Indonesia Bangun Bandar is not a company that has to conduct an inventory of the characteristics of the peat ecosystem. So this indicator cannot be applied

	<b>Status: Comply</b>	
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**7.8**  
**Practices maintain the quality and availability of surface and ground water**

**7.8.1**  
The Certification unit already has a 2022 water management plan document and the implementation of water management or water protection sources. In addition, the water management plan has been included in the company's environmental impact assessment and HCV assessment documents.

Several plans have been implemented, including water use efficiency, surface water quality monitoring, well water quality monitoring, liquid waste quality monitoring and woody plant enrichment in river border areas.

The company can show the results of the 2nd semester of 2021 River testing by the Environmental Laboratory with accreditation refers to the parameters based on PP No. 22 of 2021 and there are no test results that exceed the quality standard. The rivers that were tested were the Martebing river on downstream and upstream. Base on the test results, it can be seen that the Company's operational activities do not increase the pollution load on river water.

The company has been monitoring of clean water quality on 16 sample point date 23 February 2022 has been carried out by management with results still in accordance with applicable regulations (Permenkes No.32 year 2017), in addition to ensuring the absence of pollution and avoiding the occurrence of pollution.



**7.8.2**

The Certification unit has a procedure namely Procedure for Management of River Border Conservation Areas (SOC/PSM/9.07 edition 01, revision 05, effective date 1 March 2020). In addition, the company already has a river border area management plan which is contained in the 2021 HCV management plan, several activities are planned including marking of spray limits, planting of woody plants and periodic water quality testing.

Base on field visit during audit, for examples on HCV Martebing River Riparian Area, Block 40 Bandar Bangun Estate the auditor acquired information that company effort to maintain the water source, provide water source information boards, determine water test locations and conduct testing every 6 months, conduct socialization to workers and the community regarding water source management.

**7.8.3**

The Certification unit has carried out liquid waste management in accordance with the liquid waste disposal permit it has in accordance with the decision Head of the Office of Investment and One Stop Integrated Licensing Service of Serdang Bedagai Regency Number r: 0006/36/IX/DPMP2TSP-SB/2019 dated September 24, 2019 which is valid for 5 years. quality of liquid waste once a month. Based on the results of the verification of the quality of the liquid waste document in the last 1 year, it is known that the quality of the liquid waste is still in accordance with the applicable regulations. The following is an example of the results of the liquid waste quality test for the last months:

Month	Standard	July
N-Total	50	13,10
TSS	250	143
Oli & greas	25	4,0
BOD	100	77,3
COD	350	154,38
pH	6-9	8,32
Flow	2,5	1,5

*PermenLH No.5 Tahun 2014 attachment III.*

**7.8.4**

Mill water use has been monitored and recorded in document of Recapitulation of Water Usage and Distribution. The record has been covered the FFB process, detail of water usage for process and non process, total water usage, and water usage per ton of FFB. For instance the total water usage in 2021 was 80.875 m3, mill freshwater usage per Palm Oil produced tonne (M3/MT) is 1,01. The use of waters is still below the budget that set are 1.4 M3/MT

Water Resources Concession Permit according to the Decree of the Minister of Public Works and Public Housing Number 191/KPTS/M.2017 dated March 27, 2017 which is valid for 5 years. The company also shows proof of payment of surface water utilization taxes for each month, for example payments in June 2022 paid to the Regional Revenue Service of North Sumatra Province on 11 July 2022.

<b>Status: Comply</b>
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**7.9**

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

**7.9.1**

The unit certification already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2021 POM has produces 793,147 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 07,53 kwh / ton CPO. Result Direct fossil fuel used is 0,07 kWh/ ton CPO.

<b>Status: Comply</b>
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**7.10**

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

**7.10.1**

The company has identified source of pollution and air emission sources, including gaseous, particles and shoot emissions and effluent covering emissions and pollution sources from estate and mill operations. The emission source identified from estate and mill operation among others are land use change, vehicle operation, machine operation, fertilizer and pesticide application, use of AC/refrigerator, waste piling and electricity consumption.

Identification of significant GHG gas emission source is identified and the mitigation plan has been developed by the company covering mill and estate. The significant GHG emission among others are land use change, POME, use of fertilizer and pesticide, use of fossil fuel for operation and transport. The mitigation plan among others is correct dosage use for fertilizer and application as recommended, reduce reuse and recycle action, electric use limitation, transport and engine maintenance, periodic air quality test.

Fossil fuel reducing on Bangun Bandar POM have been implemented by fiber/shell usage for boiler. POME has been monitored every months and monitoring periods January 2021 to June 2022 shown that all of waste water testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

The calculation of GHG and its monitoring has conducted by EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emmision for Bangun Bandar POM and its supply base are listed as follows:

Emissions per product	tCO2e/tProduct
CPO	0.64
PK	0.64

Production	t/yr
FFB processed	80,175.00
CPO produced	19,172
PK produced	2,862

Extraction	%
OER	23.91
KER	3.57

Land use	Ha
Planted area on mineral	4,056.63
Planted on peat	0
Total area planted	4,056.63
Conservation Area (Forested)	0
Conservation Area (Non-Forested)	20.78
FFB Production per hectarage	19.76

**Summary of field emission and Sinks**

Description	Own crop		Group		3rd	Total
Emissions Sources	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	tCO2e	
Land conversion	39253.22	0.49	0	0	0	39253.22
CO2 emissions from fertilizer	3773.32	0.05	0	0	0	3773.32
NO2 emissions from peat	0	0	0	0	0	0

NO2 from Fertilizer	2961.02	0.04	0	0	0	2961.02
Fuel consumption	886.42	0.01	0	0	0	886.42
Peat oxidation	0	0	0	0	0	0
Sinks						
Crop sequestration	-37256.12	-4.46	0	0	0	-37256.12
Sequestration in Conservation area	0	0	0	0	0	0
<b>Total</b>	<b>9617.86</b>	<b>0.12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9617.86</b>

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	4745.27	0.06
Fuel consumption	133.45	0
Grid electricity	153.96	0
Credits		
Export of grid electricity	0	0
Sales of PKS	-549.27	0
Sales of EFB	4483.42	0.05
<b>Total</b>	<b>4483.42</b>	<b>0.05</b>

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

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

**POME Divert to Anaerobic Digestion**

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

If the data compare with previous period the value is increased from previous period (0.60 tCO2e/tProduct) which mean increased 0.04 tCO2e/tProduct, based on that's explanatoo therea increase of Net GHG emission, its may be due to differences in the FFb process which for the 2021 period is smaller than 2020

Based on the results of the verification of the data calculated above, it is known that there are differences in the area of the HCV area, the total area and the planted area, this is because there are replanting activities in several plantation areas, which were previously counted as planted areas, so that the total HCV area planted is reduced. Based on the results of verification of basic info data per year 2021 (as of December) and the results of the calculation of the GHG palm calculator (period January – December 2021) it is appropriate. So the results of the total area (total area, planted area and HCV area) in the palm calculator calculation for the period January – December 2021 will not match the hectare statement as of 2022 because replanting is still on progress.

**7.10.2**

The company has conduct greenhouse gas assessment for New Planting on Tanah Gambus estate by Aksenta on August 2016. Total of carbon stock on Bangun Bandar estate i.e, biomass is 46.9 kilo ton C and C-organic is 72.0 kilo ton C. The potential major sources of emissions came from biomass from entire scope of assessment.

There is recommendation from GHG assessment for new planting such as:

- Planting the trees and upkeep by optimal as a factor of carbon fixation
- Conduct land clearing and planting together
- Conduct monitoring and minimalization of GHG emission such as methane capture and zero burning

The company has record of realization of recommendation from GHG assessment such as planting the trees and conduct land clearing.

### 7.10.3

The company has identified pollutions and emissions sources of Bangun Bandar POM for the period 2022, such as CO<sub>2</sub> (boiler, generator, transportation), CH<sub>4</sub> (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2022, such as emissions (CO<sub>2</sub>, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester II year 2021 & semester I year 2022. Fossil fuel reduction on Bangun Bandar POM have been implemented by fiber/shell usage for the boiler.

Status: Comply

### 7.11

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

#### 7.11.1

The unit of certification has regulations for clearing land without burning which are stated in policy no. PD-GM/KK/Bi/413/10 on October 20<sup>th</sup>, 2010. The unit of certification shows the Land Clearing Work Agreement (LC) for Palm Land 2022 Program Kebun Bangun Bandar between PT. Socfin Indonesia with CV. Kencana Jaya No. PD-GM/X/Bi/576/2021 On November 25<sup>th</sup>, 2021, consisting of:

- Ripping work 1 (one) time covering an area of 261.73 Ha
- Chipping stems and embankments including digging and closing holes 23,493 Trees
- Creating a continuous terrace with a length of 18,150 m

Replanting is carried out mechanically and in the work agreement there is a prohibition on burning in the area of the plant rejuvenation (zero burning).

The unit of certification shows the minutes of the handover of the work completed by the Land Clearing program in 2022 on April 26<sup>th</sup>, 2022, including the following works:

- Ripping work 1 (one) time covering an area of 212.21 Ha
- Chipping stems and embankments including digging and closing holes totaling 19,685 Trees
- Creating a continuous terrace of 11,484 m

Based on observations in the company's replanting areas, including in blocks 15 and 21 of Division III, there was no practice of replanting by burning

#### 7.11.2

The certification unit has a fire prevention and control program from 2021 to 2022 including a fire emergency simulation program and socialization of the prohibition of burning which is carried out periodically in plantations and factories. Several realizations of fire prevention and control programs include a simulation of a fire emergency at the factory on November 19<sup>th</sup>, 2021 at 10.30 a.m to 12.00 a.m consists of the preparation, implementation and evaluation of fire simulations conducted internally and attended by 22 factory employees. In addition, there was a socialization on the prohibition of burning waste by the assistant division I at the Division I which was attended by 23 employees.

Referring to the results of interviews with the Plantation Office of Serdang Bedagai Regency, information was obtained during the last 5 years that there were no cases of land fires in the company area or in the border area

#### 7.11.3

The certification unit involves stakeholders in efforts to prevent and control fires, including through cooperation agreements with surrounding villages. In the agreement, the certification unit is obliged to provide assistance with fire extinguishers, while the surrounding village is obliged to provide accurate information regarding the location of the fire incident. Here are some examples of cooperation agreements between the certification unit and surrounding villages:

- Agreement on fire prevention cooperation between PT. Socfindo Kebun Bangun Bandar with Martebing Village

<p>on August 1<sup>st</sup>, 2020 which is valid for the next 5 years</p> <ul style="list-style-type: none"> <li>- Agreement on fire prevention cooperation between PT. Socfindo Kebun Bangun Bandar with Aras Panjang Village on August 1<sup>st</sup>, 2020 which is valid for the next 5 years</li> <li>- Agreement on fire prevention cooperation between PT. Socfindo Kebun Bangun Bandar with Weekend Village on Thursday, August 1<sup>st</sup>, 2020, which is valid for the next 5 years</li> </ul>
<p><b>Status: Comply</b></p>
<p><b>7.12</b>  <b>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.</b></p>
<p><b>7.12.1</b>  PT Socfin Bangun Bandar is a plantation that has been established since 1930, while the initial commodities of Bangun Bandar plantation consist of oil palm and rubber. An HCV assessment for a certification scope of 4,146.85 was carried out in 2011.</p> <p>As time goes on in 2016, the certification unit plans to convert the remaining 881.03 hectares of rubber plantations. Prior to conversion, the management unit re-assesses HCV, HCS, GHG and LUCA specifically for the area to be converted with an area of 903.31 Ha. Based on the results of the HCV assessment, it is known that no HCV area has been identified in the rubber plantation area, in addition based on calculations and GHG studies and LUCA is known that the carbon stock in the rubber plantation area can be converted. The HCV assessment for area conversion was carried out by the ALS Assessor and was entered into the HCVRN portal with satisfactory status on November 14, 2016 with the conclusion that no HCV area was identified in the rubber plantation area of PT Socfindo Bangun Bandar.</p> <p>In 2018 the new RSPO P&amp;C appeared which contained several new regulations for New Planting/conversion activities with some new guidelines and requirements. Refer to the Interpretation of Indicator 7.12.2 and Annex 5. For the RSPO Principles and Criteria 2018 dated 12 June 2019. At the time of publication of the latest PNC conversion activities were still ongoing in 2019. From the classification published by the RSPO, the plantation condition of Bangun Bandar was included in the category Existing Certified Plantation that carries out new land clearing activities within the certified area. Based on this, the conditions that need to be carried out are HCV + Land Use Risk Identification.</p> <p>From the results of Land Use Risk Identification, it is known that conversion activities from rubber plants (Monoculture) to oil palm plantations are in the low-risk category. In addition, the company has submitted a LUCA report to the RSPO "reporting template for land use change analysis and compensation liability calculation" draft 3.0 – 09.2016 with zero liability compensation. So that the conversion activities that have been carried out by the company from 2017 to 2021 are in accordance with the procedures applicable in the RSPO and it has been confirmed that they are not clearing HCV or HCS areas.</p> <p><b>7.12.2</b>  The unit of certification of Bangun Bandar Plantation is a plantation that has been established since 1930, while the initial commodities of Bangun Bandar plantation consist of Oil Palm and Rubber. An HCV assessment for a certification scope of 4,146.85 was carried out in 2011.</p> <p>Based on HCV assessment document (2011), page IV-3, Table IV-1, total HCV area present in Bangun Bandar estate was 35.06 ha; consist of river banks area of Belutu river about 0.86 ha, Martebing river about 32.55 ha and cemetery of local community about 1.65 ha. Between HCV 1.2 and 4.1 is overlapped consisting of riverbanks and burial areas. As for the results of the HCV study, no RTE species were found. In early 2020 the certification unit delineated the HCV area, from the results of the latest measurements carried out internally it was found that the HCV area had an area of 36.46 Ha. since 2020 the delineated HCV area has been used as a reference for HCV management and monitoring.</p> <p>in 2016 the certification unit plans to convert the remaining 881.03 hectares of rubber plantations. Prior to conversion, the management unit conducts an assessment of HCV, HCS, GHG and LUCA specifically for the area to be converted with an area of 903.31 Ha. Based on the results of the HCV study, it is known that no HCV area has been identified in the</p>

rubber plantation area, in addition to the calculation and study of GHG and LUCA it is known that the carbon stock in the rubber plantation area can be converted. The HCV assessment for area conversion was carried out by the ALS assessor and was entered into the HCV RN portal with satisfactory status on November 14, 2016 with the conclusion that no HCV area was identified in the rubber plantation area of PT Socfindo Bangun Bandar.

#### **7.12.3**

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

#### **7.12.4**

The company already has a 2022 HCV management and monitoring plan which is stated in the 2022 HCV Management Plan document for PT Socfin Indonesia, namely:

- Monitoring and maintenance of HCV attributes
- Install/rehabilitate HCV attributes
- Socialization of HCV to Employees and Contractors
- Socialization of HCV to the Community
- Routine patrols
- Monitoring of protected species
- Planting erosion-repelling crops
- Monitoring and maintenance of erosion prevention plants

The company can show the master plan of the year HCV management plan for the period 2021-2022 which has been developed together with stakeholders, namely on 14 September 2020 such as in Aras Panjang village, Martebing village, Dame village dan Ujung Silau village.

The company can demonstrate the implementation of the HCV management and monitoring plan for the period 2021, for example:

- Socialization of the protection of HCV and protected animals to the people of Aras Panjang village on May 2, 2022, which was attended by 27 participants.
- Socialization of the protection of HCV and protected animals to the people of Martebing village on April 12, 2022, which was attended by 19 participants.
- Reports on HCV patrols conducted on 10 January 2022, 14 February 2022, 21 March 2022, 18 April 2022, 16 May 2022 and 13 June 2022. Based on the patrols carried out, the condition of the HCV is safe and under control and there are warning boards that have been damaged and need to be replaced.
- Monitoring reports on animal/plant species for the period January until June 2022. Based on the results of the monitoring, it is known that there are types of *Biawak*, *cekakak belukar*, *cucak udang*, *bangau putih* and *burung madu kelapa*.

#### **7.12.5**

Based on the results of the document review and interviews with the surrounding community (Bah Kerapu Village, Aras Panjang Village, Dolok Sagala village and Ujung Silau Village), there is no HCV area that is in contact with other stakeholders, the entire HCV area is within the company's HGU so that no community rights are harmed.

#### **7.12.6**

In terms of providing education to workers related to the protection of HCV and the existence of protected animals and plants, the company has provided socialization to employees, for example:

- Socialization on the protection of HCV and protected animals to mill and estate employees which was held on July 19, 2022, which was attended by 34 Harvesters.
- Socialization of the protection of HCV and protected animals to the people of Aras Panjang village on February 21, 2022, which was attended by 12 participants.
- Socialization of the protection of HCV and protected animals to the people of Martebing village on March 7, 2022, which was attended by 8 participants.



The company have established HCV management plan, and implemented it well. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors.

For example RTE species patrols summary results on 2022 for conservation area on Martebing River Riparian Area, Block 40 division II such as of *Biawak*, *cekakak belukar*, *cucak udang*, *bangau putih* and *burung madu kelapa*.

The company also reports RTE species patrols summary results period 2021 to the Natural Resources Conservation Agency (BKSA) of North Sumatra Province, the last report dated 28 April 2022.

The socialization provided explained that all employees, staff and non-staff are prohibited from catching, injuring, maintaining and trading protected animals. If a protected animal is found in or around the estate, it must be immediately reported to the BKSDA for further handling. If there is a violation related to catching and injuring protected animals, the company will provide strict sanctions with criminal provisions.

#### 7.12.7

The HCV management activities that taken by the management unit for period 2021 are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian. The company has also submitted a report related to the biodiversity database and monitoring & management HCV o to the Natural Resources Conservation Center of Sumatera Utara Province.

The management plan period 2021 is effectively and implemented based on the monitoring result implementation period 2021. The enhancement and result of the HCV / RTE monitoring review for the next HCV program. The review of the 2021 program, will become an HCV program in 2022, for example, the Repairing HCV signboard in December 2021 has not been fully completed and has been realization on 21 February 2022.

#### 7.12.8

As mentioned in section 7.12.2 above no land clearing since Nov 2005 or 15 Nov 2018 damage the HCV area. The new land clearing after 15 Nov 2018 is carried out inside the agriculture land (rubber plantation) where the risk level is categorized "low risk". The first disclosure was made on August 5, 2014 with the category of zero liability, so the company does not have a RaCP obligation.

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

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA 2.1</b>	PT Socfin Indonesia not use CB Logo and use RSPO Trademark with license number 1-0269-19-100-00.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
<b>ASA 2.1</b>	PT Socfin Indonesia not use RSPO Trademark and CB Logo on product.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
<b>ASA 2.1</b>	PT Socfin Indonesia not use RSPO Trademark and CB Logo on product.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>ASA 2.1</b>	PT Socfin Indonesia not use RSPO Trademark and CB Logo on product.	√
	<b>Status: Comply</b>	

### 3.3 Summary of RSPO Partial Certification.

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

Socfin SA Time Bound Plan (TBP) is explained in table 1.10. Socfin SA has eight (8) management units with twenty-three (23) mills. Socfin SA has informed the TBP progress, MUTU has considered that Socfin SA is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Socfin SA on 23 June 2022.

MUTU has verified partial certification for un-certified unit's subsidiary of Socfin SA based on their Time Bound Plan. There are three (3) uncertified mills and eleven (11) uncertified estates of Socfin SA. 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 two significant land conflicts which have not been declared above
- The Final LUCA reports have not been sent to RSPO because waiting for meeting and LUCA training with RSPO.
- There are two labour disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	The Company was been conducted internal assessment for uncertified units on July until October 2021 and has a positive assurance statement to certified.
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 7.3 (it has changed be Criterion 7.12 in P&C 2018)	Most of uncertified unit still have LUCA in progress, such as: <ul style="list-style-type: none"> <li>• Okomu Extension 1 &amp; 2 Mill and Estate: LUCA status still reviewed by RSPO.</li> <li>• Socapalm Kienke Mill and Estate: LUCA status still reviewed by RSPO.</li> <li>• Socapalm Eseka Mill and Estate: LUCA PASS and still RaCP process</li> <li>• Brabanta Mill and Estate: LUCA PASS and still RaCP process</li> <li>• PSG Mill and Estate: LUCA status still not complete.</li> <li>• Agripalma mill and Estate: LUCA status still reviewed by RSPO.</li> <li>• Safacam Mill and Estate: LUCA status still reviewed by RSPO.</li> <li>• SOGB Mill and Estate: LUCA status still reviewed by RSPO.</li> </ul>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<b>Okumu Extension 1 Estate and 2 Estate.</b> Since NPP was not followed for the land clearance since May 9, 2014, remediation and compensation procedures will need to be

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>followed for those areas with a coefficient higher than 0. This will be done after the final LUCA report has been submitted to the RSPO.</p> <p><b>Agripalma.</b> Since NPP was not followed for the land clearance between Jan 1, 2010, and May 9, 2014, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated 455 ha). This will be done after the final LUCA report has been submitted to the RSPO.</p> <p><b>Brabanta.</b> Since NPP was not followed for the land clearance between Dec 1, 2007 – May 9, 2014, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 156 ha). This will be done after the final LUCA report has been submitted to the RSPO. LUCA report not yet completed.</p> <p><b>PSG.</b> Since NPP was not followed for the land clearance between Jan 1, 2010 – Current, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 1,140 ha). This will be done after the final LUCA report has been submitted to the RSPO.</p> <p><b>SAC.</b> Since NPP was not followed for the land clearance between Jan 1, 2010 – Current, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated 100 ha). This will be done after the final LUCA report has been submitted to the RSPO. SAC conducted an HCV assessment in February 2019. The SAC non-ALS HCV report has been approved by RSPO.</p> <p><b>Safacam</b> Since NPP was not followed for the land clearance between Dec 1, 2007 – Dec 31, 2009, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 613 ha). This will be done after the final LUCA report has been submitted to the RSPO.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><b>Socapalm.</b> Since NPP was not followed for the land clearance between Nov 1, 2005 – Current, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated at 7,521 ha). LUCA report has been sent to RSPO on August 2020.</p> <p><b>SOGB.</b> Since NPP was not followed for the land clearance between Nov 1, 2005 – Current, remediation and compensation procedures will need to be followed for those areas with a coefficient higher than 0 (estimated 2,003 ha). This will be done after the final LUCA report has been submitted to the RSPO. A HCV scoping assessment was conducted in April 2019. LUCA report has been approved by RSPO.</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 criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p><b>SAC Estate</b> There is currently 1 open land dispute which is undergoing resolution processes. The complaint is from the Malen Affected Land Owners Association (MALOA), who are protesting against the expansion of SAC in the Malen Chiefdom. The discussion for this complaint has been going on for a long time, and to aid in the resolution, the Government has appointed a Technical Committee to examine the issues and make proposals to the mediation team. The first of ten visits were carried out on the 23<sup>rd</sup> of March.</p> <p><b>Okumo Extension 1 Estate.</b> There is an ongoing dispute regarding land conflict on Extension 1, which is meant for rubber cultivation. The land was acquired rightfully from its previous tenants for the remainder of the lease, however, upon acquisition, it was identified that 5 different communities had encroached the land. 4/5 communities accepted a compensation, however, one, Hassan Camp, did not.</p> <p>Attempts for negotiations were made, however, Hassan Camp wanted to take the case to court. At this moment it is under sub judice.</p> <p>Once the court has spoken, new attempts can be made to resolve the issue following an acceptable conflict resolution process.</p> <p>For other plantations, there are no Land conflict.</p>

<b>Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p><b>Okumo Extension 1 and 2 Estate.</b>  OOPC operations at Extension 1 in Okomu and Extension 2 in the Owan Forest Reserves necessitated both physical and economic displacement. Whiles the Extension 2 only affected economic displacement and the farmers are generally content with the crop compensation process undertaken, there has been an ongoing and protracted issue with some communities affected at Extension 1 on area meant for rubber plantings. Compensation was not required under Nigerian law because the communities were considered illegal settlers on the private property of OOPC. There is evidence (time stamped satellite images) that they settled in the area after the acquisition by Okomu. Whiles four (Fatai, Olowu, Sunday and Olomu Camps) out of the 5 communities that were within the boundaries of the Extension 1 have moved out of the concession after three years of consultations, and after compensations have been paid to the farmers, the people of Hassan Camp which is the largest of the five communities have refused compensations from OOPC because they claim that part of the land belongs to them and therefore will not move out of the land. They have subsequently taken the case to court with the claim that they own the land (Latest court case update: OKOMU_Updates on Court Cases Extension 1). Thus, the whole issue is now sub judice until the court has made its decision.  OOPC has a Community Liaison Team, who is the main line of communication of the company with the local communities. The team visits villages within a radius of 10 km around the concession, to disseminate information and to engage in dialogue in order attend to any issues that may arise between the Company and local communities.</p> <p>There are currently no labour disputes for other plantations.</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 (it has changed be Criterion 4.2 in P&C 2018).	All plantations are complying to most national laws and regulations and has a system in place to follow all current laws and regulations.



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

#### 3.4.1. Identification of Findings at Re-Certification Assessment

NCR No.	:	2021.01	Issued by	:	Bayu Yogatama
Date Issued	:	30 July 2021	Time Limit	:	28 October 2021
NC Grade	:	Major	Date of Closing	:	05 October 2021
Standard Ref. &	:	3.4.3			
Requirement	:	The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.			
Evidence observed (filled by auditor):					
Based on the results of the document review, some information is known as follows:					
<ul style="list-style-type: none"><li>The Certification unit has an Environmental impact assessment document contained in the 1993 Environmental Evaluation Presentation (PEL) document which was approved on March 17, 1994. The Certification unit revised the RKL-RPL in 2013. The purpose of the RKL-RPL revision is because the management unit is in the stage of converting rubber plantations to oil palm and replanting activities in the management unit. The Revised RKL-RPL document has been approved, in accordance with the recommendation of PT Socfindo Bangun Bandar's Revised RKL-RPL Number 18.32/660/325/2013 dated November 15, 2013. From the results of the 2013 RKL-RPL revision, there are environmental management and monitoring parameters that need to be carried out by the company during Conversion / Replanting activities such as Erosion Monitoring, Monitoring of Soil Nutrients, Soil Structure, air pollution and soil pollution due to heavy equipment and others.</li><li>The study of the area statement and the realization of the Rubber Plant Conversion at PT Socfindo Bangun Bandar found that conversion activities were still being carried out in 2020 and 2021. In addition, based on the PT Socfindo Bangun Bandar realization document, it was known that in 2020 and 2021 there would be replanting activities.</li><li>A review of the RKL-RPL implementation documents for the 2<sup>nd</sup> semester of 2020 and the 1<sup>st</sup> semester of 2021 to find out the impact parameters that need to be monitored during the replanting and conversion of rubber to oil palm plantations, such as monitoring erosion, monitoring soil nutrients, soil structure, air pollution and soil pollution. due to heavy equipment has not been included in the RKL-RPL report.</li></ul>					
Non-Conformance Description (filled by auditor):					
The certification unit has not been able to show sufficient evidence that all environmental impact management and monitoring parameters have been carried out in accordance with its environmental management and monitoring matrix.					
Root Cause Analysis (filled by organization audited):					
There is no monitoring matrix monitoring table for each parameter that is managed and monitored, especially in conversion and replanting activities to facilitate the preparation of RKL RPL reports					
Correction (filled by organization audited):					
Prepare RKL RPL report for semester I/2021 (continued) which is equipped with information on management and monitoring activities for conversion and replanting activities					
Corrective Action (filled by organization audited):					
<ul style="list-style-type: none"><li>Establish a monitoring matrix for each parameter as a guide in preparing RKL-RPL reports.</li><li>Plantation and sustainability staff verify the results of the RKL – RPL reports.</li></ul>					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification 27 August 2021					

The unit of certification shows of root cause analysis, corrections and corrective actions. Root cause analysis, corrections, and corrective actions made by the unit of certification have been accepted, please show proof of improvement in accordance with the corrections made. **Non-conformance 2021.01 not fulfilled.**

**Verification 28 September 2021**

The company shows proof of improvement in the form of an environmental management and monitoring plan matrix which was updated in September 2021. The matrix has included a manage & monitor plan for conversion & replanting activities (Erosion Monitoring, Soil Nutrient Monitoring, Soil Structure, air pollution and soil pollution due to heavy equipment) in accordance with the environmental documents owned. Meanwhile, the company has not shown evidence of improvement according to the correction made by the company, namely the RKL-RPL Semester 1 2021 (continued) report which contains a discussion regarding the impact of replanting along with proof of handover to the relevant agency. **Non-conformance 2021.01 not fulfilled.**

**Verification 05 October 2021.**

The company shows proof of improvement in the form of:

- RKL-RPL Report for Semester 1 of 2021 (continued) which has carried out monitoring related to parameters of Erosion, Nutrients, Soil Structure, Addition of Manpower during the Replanting period, Air Pollution and Heavy Equipment Operations, Soil Pollution Due to fuel spills from heavy equipment, Changes in Attitude Public.
- Proof of Report / Handover of RKL-RPL Documents to the Environmental Service of Serdang Bedagai Regency on October 5, 2021.

Based on root cause analysis, corrections, corrective actions and evidence of improvement shown **Non-conformance 2021.01 has been Fulfilled.**

Verified by	:	Bayu Yogatama
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<b>NCR No.</b>	<b>:</b>	<b>2021.02</b>	<b>Issued by</b>	<b>:</b>	<b>Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>:</b>	<b>30 July 2021</b>	<b>Time Limit</b>	<b>:</b>	<b>Next Surveillance</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>30 September 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.7.2</b> <b>Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</b>			

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

Based on the results of field observations at Bangun Bandar Estate and Mill, the following facts were found:

- There are items in the first aid box that are at the Hazardous Waste TPS in Bangun Bandar Estate which have expired since June 2021 for Iodine and October 2020 for alcohol. From the monitoring results contained in the first aid kit, it is known that since June – July 2021, the Iodine is in good condition and from January – July 2021, the alcohol is in good condition.
- There is an Fire Extinguisher (APAR) that is no longer under pressure in the fertilizer warehouse at Bangun Bandar Mill and the monitoring results contained in the Fire Extinguisher (APAR) state that this has occurred since April – July 2021.
- During the simulation of hydrant No. 08 in Bangun Bandar Mill, there are several records, namely:
  - There are no valves and adapters since January – July 2021 based on the monitoring book in the hydrant box, while other items such as hoses, nozzles, hydrant locks and others are in good condition.
  - The valve used during the simulation comes from another hydrant box.
  - The nozzle in the hydrant box is too large and does not match the size of the existing hose. During the simulation, there was a leak at the connection between the hose and the nozzle during the simulation.
  - Due to these things, the water pressure during the simulation is not optimal.
- During the simulation of hydrant No. 02 in Bangun Bandar Mill, there are several records, namely:
  - There is no adapter since January – July 2021 based on the monitoring book in the hydrant box, while other items such as valves, hoses, nozzles, hydrant locks and others are in good condition.
  - The valve used is not in good condition so that when the simulation is carried out there is a leak at the connection between the valve and the hose.
  - Hose leaks (there are more than three leak locations) during the simulation.
  - Due to these things, the water pressure during the simulation is not optimal.

There are also several other facts found during the document review, namely:

- The results of the ISPO and RSPO internal audits conducted by the PT Socfin Indonesia Audit Team on 27-29 May 2021 found non-compliance with the non-compliance with the Fire Extinguisher (APAR) inspection since January 2021. The discrepancy was met on 02 June 2021.
- In document No. SOC/DP/4.08-06 (effective since 01 July 2015) regarding the Fire Extinguisher (APAR) Guidelines, states that the entire Fire Extinguisher (APAR) inspection method is carried out starting from the condition of the nozzle, pin, tube and manometer (pressure), where the manometer needle is in the green area (not Red). However, the procedure does not explain the procedure when these conditions are not met.
- In document No. SOC/PSM/4.12 (effective since May 15, 2017) regarding OHS and Environment Patrol Procedures (Environment, Health and Safety), states that inspections/patrols are carried out by conducting routine checks every month for the eligibility conditions of Fire Extinguisher (APAR) and Hydrant. However, the procedure does not explain the procedure when these conditions are not met.
- In document No. SOC/Dp/4.20-04 (effective since April 01, 2010) regarding First Aid Box and Bag Inspection, states that first aid kits and bags must be inspected at least once a month related to their feasibility and completeness. However, the procedure does not explain the procedure when these conditions are not met.

The unit of certification has also shown several improvements related to the facts found, including:

- Documentation of replacement of first aid kit items at the Bangun Bandar Estate hazardous waste storage which has expired on 27 July 2021, namely Iodine and alcohol.
- Documentation of re-simulation of hydrant No. 02 and 08 which resulted in no more leaks found so that the water pressure can reach the maximum point
- Documentation of replacement of non-pressurized fire extinguishers in the fertilizer warehouse with fire extinguishers with good pressure. The unpressurized fire extinguisher has been sent to the Medan office for refilling on July 28, 2021

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

The unit of certification has not been able to show sufficient evidence that the emergency response facilities (first aid, APAR and Hydrant) located at the plantation and factory locations are in a ready-to-use condition and well-monitored.

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

The data presented by officers inspecting emergency response facilities and infrastructure such as first aid kits, fire extinguishers and hydrants is not accurate because the verification of follow-up results and work monitoring have not been carried out consistently in each work activity.

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

Carry out re-checking of the following emergency response facilities correctly, namely:

1. First aid kit at hazardous waste storage
2. Fire extinguisher in the fertilizer warehouse
3. Hydrant No. 2 and 8 in mill

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

1. Review and revise *Pedoman Penanganan APAR* (SOC/DPI/4.08-06) as well as *Pedoman Pemeriksaan Kotak P3K* (SOC/Dp/4.20-04) regarding follow-up if abnormal monitoring results are found, such as damaged, expired, incomplete, etc.
2. Provide training/briefing to officers who carry out inspections of emergency response facilities on how to do the work correctly.
3. Assistant/Technician II cross-checks the results of the inspection report together with officers at random to ensure that the data presented is correct and accurate.
4. Evidence of follow-up on audit findings sent to ISPO/RSPO internal auditors must include adequate documentation and auditors verify the evidence before closing the findings.

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

**Verification 27 August 2021**

The unit of certification has determined the root cause, correction and corrective actions to resolve non-conformities that occurred during the RSPO Recertification assessment. Root cause analysis, corrections, and corrective actions made by the unit of certification have been accepted (by taking into account the auditor's response in the corrective action column), please show evidence of improvement in accordance with the corrections made. **Non-conformance 2021.02 not fulfilled.**

**Verification 28 August 2021**

The unit of certification has added information and provided feedback in the corrective action section. Root cause analysis, correction, and corrective actions made by the unit of certification have been accepted. Furthermore, to show evidence of improvement as well as root cause analysis, corrections, and corrective actions that have been written.

**Verification 30 September 2021**

The unit of certification has shown evidence of improvement as follows:

- *Prosedur Patroli LK3* (Document No. SOC/PSM/4.12 dated 01 September 2021) which explains the stages of activities in carrying out all HSE patrol activities (including monitoring fire extinguisher, Hydrant and First Aid) in the operational area of the certification unit. In this activity stage, it is explained that each time the officer appointed to carry out his duties in conducting a patrol is obliged to report it to the Assistant who will later be re-checked for the truth and accuracy of the patrol results. If there is a discrepancy during re-checking by the Assistant, a plan will be drawn up to immediately resolve the discrepancy.
- *Pedoman Pemeriksaan dan Perawatan Hydrant* (Document No. SOC/DP/4.12-05 dated 01 September 2021) in which the procedure describes guidelines for inspecting and maintaining hydrants in all operational areas of the certification unit. The inspection includes the condition of the hydrant box, fire hose, hose ract, nozzle, hydrant lock, hydrant pillar, and valve.
- *Pedoman APAR* (Document No. SOC/DP/4.08-06 dated 01 September 2021) which explains the fire extinguisher maintenance and inspection guidelines in all operational locations of the certification unit. The inspection includes the condition of the fire extinguisher sign, the placement of the fire extinguisher, the pressure condition, etc.
- *Pedoman Pemeriksaan Kotak dan Tas P3K* (Document No. SOC/DP/4.20-04 dated 01 September 2021) which describes guidelines for maintenance and inspection of First Aid boxes and bags located in all operational locations of the certification unit. The inspection includes the condition of the item, the existence of the number of items, the expiration date, etc.
- HSE patrol evidence for the condition of the First Aid Box at hazardous waste storage on August 3, 2021, with the results that all conditions and the number of items in the box were in accordance with the inspection and maintenance guidelines. In addition, re-socialization related to HSE patrol procedures was also shown, guidelines for inspection and maintenance of new first aid kits/bags to all patrol officers on August 3, 2021.
- Evidence of the HSE patrol for the state of the fire extinguisher in the fertilizer warehouse on September 6, 2021, with the results that all conditions and pressures on the fire extinguisher were in accordance with the inspection and maintenance guidelines. In addition, there was also a re-socialization/briefing related to the HSE patrol procedure, the new fire extinguisher inspection and maintenance guidelines to all patrol officers on September 6, 2021.
- Evidence of HSE patrol for condition of Hydrant No. 02 and 08 at the mill on September 6, 2021 with the results that all the conditions and the number of equipment on the hydrant were in accordance with the inspection and maintenance guidelines. In addition, re-socialization/briefing related to HSE patrol procedures was also shown, guidelines for inspection and maintenance of new Hydrants to all patrol officers on September 6, 2021.

Based on the evidence submitted and shown to the auditor above, this Non-conformance is declared to have been fulfilled and will be re-observed to the implementation and consistency of the improvements submitted in the next assessment.

Verified by	:	Rindu Galih Rezza Rachmansyah
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<b>NCR No.</b>	<b>: 2021.03</b>	<b>Issued by</b>	<b>: Bayu Yogatama</b>
<b>Date Issued</b>	<b>: 30 July 2021</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 28 September 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.3.2</b> <b>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</b>		
<b>Evidence observed (filled by auditor):</b> Based on the results of the document review, some information is known as follows: <ul style="list-style-type: none"> <li>The Certification unit has a Waste Control Procedure No. SOC/PSM/4.11 revision 5 dated October 1, 2018 which contains procedures for managing types of waste including domestic waste, Hazardous waste &amp; Industrial waste. Point 6.3 regarding hazardous waste control is explained. <ul style="list-style-type: none"> <li>6.3.1: The Hazardous Waste generated is stored in a licensed Hazardous Waste Warehouse.</li> <li>6.3.2: Officers Collect Hazardous Waste at the collection point, recorded in the Hazardous Waste Record form for each type of Hazardous Waste.</li> </ul> </li> <li>Point 6.4 Control of Organic and Non-Organic Waste. <ul style="list-style-type: none"> <li>6.4.1 All workers collect waste/waste generated in the trash according to its type. Organic waste is collected in organic waste bins and non-organic waste in Non-Organic waste bins.</li> </ul> </li> <li>Based on the results of field observations at the Housing Division 4, it is known that Non-organic waste is still being dumped in the estate area and behind the housing. The same thing was found behind the company's clinic. Meanwhile, based on the results of observations in the Mill area, several types of Hazardous Waste were still found, such as used oil drums, used paint packaging, oil jerry cans and used chemical jerry cans collected behind the material warehouse.</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> The Certification Unit has not shown sufficient evidence that all waste produced has been managed according to its waste management procedures and plans.			
<b>Root Cause Analysis (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Lack of awareness of workers on the importance of waste management.</li> <li>There is no program for household consumption waste management</li> </ol>			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Cleaning inorganic waste in the estate area and behind the Division 4 housing estate</li> <li>Collecting used oil drums, used paint packaging, oil jerry cans and used chemical jerry cans are collected behind the material warehouse and sent to the hazardous waste warehouse</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>The assistant provides socialization / briefing to workers about the importance of waste management and how to manage it according to the type of waste generated.</li> <li>Develop an <i>ecobrick</i> program to manage inorganic waste</li> <li>Establishing a clean Friday routine program and controlled by the assistant</li> <li>Installing waste management warning signs in housing, warehouses, clinics so that every worker can see and remember the importance of waste management</li> <li>Provide additional waste disposal sites that are grouped according to the type of waste</li> </ol>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 27 August 2021</b>			



The unit of certification shows improvements in the form of root cause analysis, corrections and corrective actions. Root cause analysis, corrections, and corrective actions made by the unit of certification have been accepted, please show proof of improvement in accordance with the corrections made. Non-conformance 2021.03 not fulfilled.

**Verification 28 September 2021**

- Reports on the management of domestic waste in the area around the lodge, evidence of the installation of new signboards in several housing locations, clean Friday program, re-socialization to employees and employees' families accompanied by photo evidence of activities.
- Hazardous Waste logbook for the period of August and September 2021 which contains data on returning hazardous waste (oil jerry cans, paint jerry cans, and used drums) to hazardous waste storage.
- A plastic waste management plan (*Eco Brick*) that shows evidence of the use of plastic waste into other useful materials.

Based on root cause analysis, corrections, corrective actions and evidence of improvement shown **Non-conformance 2021.03 has been Fulfilled.**

Verified by	:	Bayu Yogatama
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**3.4.2. Identification of Findings at Annual Surveillance Assessment 2.1**

<b>NCR No.</b>	:		<b>Issued by</b>	:	
<b>Date Issued</b>	:		<b>Time Limit</b>	:	
<b>NC Grade</b>	:		<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:				
<b>Evidence observed</b> (filled by auditor): There is no non conformity during this assessment					
<b>Non-Conformance Description</b> (filled by auditor):					
<b>Root Cause Analysis</b> (filled by organization audited):					
<b>Correction</b> (filled by organization audited):					
<b>Corrective Action</b> (filled by organization audited):					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):					
<b>Verified by</b>	:				

**3.4.3. Opportunity for Improvement**

No	Ref.	Description
1	1.1.5	<p>Based on the results of the verification of PT Socfindo Indonesia stakeholder list document which was updated year 2022, there are still several stakeholders that have not been included in the list, for example BPJS, the tax office (government), Mass Media, several village representatives, nearby companies, NGOs and schools.</p> <p>Based on the results of document verification and interviews, the company already has information about stakeholders that has not been included in the list but is documented separately according to their respective PICs. Companies are encouraged to update regularly related to stakeholders, contact numbers and level of interest with the company in an integrated manner</p>
2.	3.4.2	<p>Regarding the social management and monitoring plan owned by the company, the company has conducted a review which is conducted every two years and monitoring once a year. Determination of the SIA management and monitoring plan for 2022 through the questionnaire method which was made on 5 July 2022 and evaluation of the social impact management of Bangun Bandar 2021.</p> <p>Based on the results of the review of the 2022 SIA Management and Monitoring Plan document, it has been carried out in a participatory manner by involving relevant stakeholders. Based on the results of the review document review, companies are encouraged to:</p> <ul style="list-style-type: none"> <li>• The carry out a more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to women, migrants, local residents, youth leaders, contractors and for internal stakeholders by taking into account the wider representation of workers such as local workers, migrants, women, new workers including contract workers.</li> <li>• Develop a questionnaire model that informs the potential impact of the company's operational activities as a whole in accordance with the initial identification according to the level of importance and potential impacts that may arise.</li> </ul>
3	3.4.3	<p>The company has an RKL-RPL revision document that has been approved, in accordance with the recommendation of PT Socfin Perkebunan Bangun Bandar Revision RKL-RPL Number 18.32/660/325/2013 dated 15 November 2013. From the results of the 2013 RKL-RPL revision, there are management and monitoring parameters the environmental conditions that the company needs to do during the Conversion / Replanting activities are carried out such as, Erosion Monitoring, Monitoring Soil Nutrients, Soil Structure, air pollution and soil pollution due to heavy equipment and others.</p> <p>The company shows the RKL-RPL document for semester 1 of 2022 which explains the implementation of the environmental management and monitoring plan that has been implemented, including:</p> <ul style="list-style-type: none"> <li>• Soil Structure</li> <li>• Casual worker for upkeep activities</li> <li>• Air Pollution from Heavy Equipment Operations</li> <li>• Soil pollution due to fuel spills from heavy equipment.</li> <li>• Public perception</li> <li>• Air emission</li> <li>• Noise</li> <li>• Liquid effluents</li> <li>• Hazardous waste</li> <li>• Gound water / well</li> <li>• Job opportunity</li> <li>• Public healt</li> <li>• Erosion.</li> <li>• Soil Nutrient</li> </ul> <p>The company shows the PT Socfin Bangun Bandar replanting realization document, it is known that in 2019 to 2022 there will be replanting activities.</p> <p>Based on the results of the verification of the RKL-RPL document for semester 1 of 2022, information was obtained that several important impacts arising from replanting activities have been managed and monitored, but some evidence attached to the results of the implementation of management and</p>

No	Ref.	Description
		monitoring has not been included in the RKL-RPL report for semester 1 of 2022. The company are encouraged to attach the results of the implementation of environmental management and monitoring in the RKL-RPL report every semester according to the RKL-RPL matrix as required in the Decree of the Minister of the Environment regulation number 45 of 2005 concerning Guidelines for the Preparation of Reports on the implementation of RKL-RPL. <b>OFI</b>
4	<b>3.6.1</b>	The company has a policy that regulates periodic and special medical examinations as stated in document no. SOC/PSM/4.19 3 <sup>rd</sup> Revision on December 1 <sup>st</sup> , 2013 which was approved by the General manager and Principal Director. The last medical examination was carried out in 2019. On July 4 <sup>th</sup> , 2020 the certification unit issued a letter No. UM/KK/Bi/1308/20 regarding the statement of postponement of Medical Check Up (MCU) related to covid-19 until an undetermined time limit (until the pandemic period ends). This is based on the Circular of the Minister of Manpower Number M/7/AS.02.02/V/2020 which provides directions to temporarily stop Medical Check Up activities until the pandemic ends. The certification unit has carried out periodic and special medical examinations through the Anugerah Clinical Laboratory on May 24 <sup>th</sup> , 2022 as many as 192 employees out of a total of 747 employees and the rest will be carried out in November 2022. The results of the study of the document are known that the results of the health checks will be out on August 8 <sup>th</sup> , 2022. Based on the results of the medical examination, it is known that there are 22 employees in the health problems and 170 employees pass health. The unit of certification has not yet conducted analysis and follow-up on the results of the inspection. The certification unit could follow up on the results of the health examination conducted by the Anugerah Clinical Laboratory and to continue routine and special health checks as planned.

#### **3.4.4. Noteworthy Positive Components**

No	Description
1	Build SOCFINDO Conservation which has a collection of medicinal plants, tropical plants, exotic plants, fruit plants and serves as a workshop for empowerment business models including as a Community Learning Activity Center.
2	Have received Blue Proper for the period 2020 – 2021.
3	The company's commitment to apply the principles of sustainable palm oil which has received an ISPO certificate and all units of PT Socfindo have received an RSPO certificate and apply the SCCS IP model
4	Excellent presentation of documents and competence of the companion team

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>National Land Agency of Serdang Bedagai Regency</b></p> <p>The CH complied with applicable regulations related land legality, among others has had location permit, plantation business permit (IUP), land title (HGU). There is no issue regarding land dispute, intimidation, and coercion to local people.</p> <p>PT Socfindo – Bangun Bandar are established since Dutch colonization.. The legal rights were originally in the form of an erphact which eventually became a HGU. The extension of HGU still on process and land parcel map (cadastral map) has been issued</p>	<p>Based on document review and field observations, the CH has demonstrated legal compliance related land legality,</p>
<p><b>Environmental Agency of Serdang Bedagai Regency.</b></p> <ul style="list-style-type: none"> <li>- The company has EIA documents and has received environmental feasibility on 1994 and be addendum on 4 February 2019 covering 4,146.85 aha consist of estate and mill with capacity 23 MT/Hours</li> <li>- The company has a Temporary Hazardous Waste Storage (TPS LB3) located on Mill and each Estate, approved by Serdang Bedagai Regency on 2019.</li> <li>- Hazardous Waste management activities carried out by storing hazardous Waste in licensed hazardous waste storage and transported have permission by KLH. Quarterly management reporting to relevant agencies.</li> <li>- The company have POME Disposal Permit in accordance with the decision of the Serdang Bedagai Regency years 2019 which is valid for 5 years.</li> <li>- The company has conducted POME quality testing per semester and reports the results of testing to Environmental Agency Serdang Bedagai Regency.</li> <li>- The company has conducted noise, vibration and noise testing and reported the results of testing to Environmental Agency Serdang Bedagai Regency per semester.</li> <li>- The company has reported Hazardous waste (balance and manifest) management to Environmental Agency Serdang Bedagai Regency per semester per semester, for example hazardous waste management report semester 1 years 2022.</li> <li>- The company has sent the RKL / RPL implementation report to to Environmental Agency Serdang Bedagai Regency periodically, for example the 1<sup>st</sup> semester of 2022.</li> <li>- The company has managed the conservation area / HCV for example in the form of riparian.</li> <li>- Requests for information responded quickly by the management unit.</li> <li>- There have not been any issues and reports from other parties regarding the negative impacts on the environment due to the management of Estate and POM.</li> </ul>	<p>- According to field observation, there are no environment pollution from estate and mill operational.</p>

<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Verification</b>
The relationship between the company and the community has	The company has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in criteria related.
<b>Department of Manpower and Transmigration of Serdang Bedagai Regency</b> <ol style="list-style-type: none"> <li>1. In the last two years period there were no industrial relations problems.</li> <li>2. The CLA is still valid today</li> <li>3. Worker union has been formed without any intervention from the certification unit.</li> <li>4. There are no complaints regarding the granting of rights and facilities provided by the certification.</li> <li>5. All workers have been registered in the health insurance and employment insurance programs</li> </ol>	There are no negative issues that require further classification in terms of employment issue
<b>Plantation Agency</b> <ul style="list-style-type: none"> <li>• There have been no land fires in the last year</li> <li>• There are no indigenous peoples in the company's operational areas</li> <li>• The company carries out CSR programs on a regular basis</li> <li>• No overlapping operational areas with mining</li> </ul>	There were no negative issues that need further verification.
<b>Surrounding Village</b> <ul style="list-style-type: none"> <li>• Bah Kerapu Village</li> <li>• Aras Panjang Village</li> <li>• Village official of Dolok Sagala</li> <li>• Village official of Ujung Silau</li> </ul> <p>There is no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties as long time ago.</p> <p>the relationship between the company and the community is considered to be quite good. The company has implemented social responsibility through CSR programs, both in the form of assistance or empowerment. There is no legal / dispute and environmental issue</p> <p>There was no identified the presence of indigenous land or land compensation in the concession area of company. Furthermore, obtained information that there are no land right owned by community in the company operational area, either individually or in groups, both formally and informally. The results of the interview also confirmed that the company area had been controlled before the village was formed. People already know clearly company boundaries. The existence of the company and its boundaries are recognized by the community</p>	In general, there are no negative issues that require further verification. Regarding CSR, it is explained in more detail in 4.3.1



Public Issues (Institution/ NGO/Community)	Auditor Verification
and no claims have been made by the community on these lands.	
<b>NGO “Penjara Indonesia” State Apparatus Performance Monitoring</b>  The relationship between the company and the community has run quite well and harmoniously. Communication between the company and the NGO.  There were no negative complaints submitted by the NGO regarding the company's operations.	According to interview, there are no negative impact by NGO.
<b>Employee Cooperative</b> <ul style="list-style-type: none"> <li>• employee cooperative in the field of savings and loans</li> <li>• employees feel the benefits of employee cooperatives</li> <li>• The company supports employee cooperatives</li> </ul>	There were no negative issues that need further verification
<b>Gender Committee of Mill and Estate</b> <ul style="list-style-type: none"> <li>• There were no complaints regarding issues related to sexual harassment and violence against women.</li> <li>• All woman in pesticides applicator worker and others work which related to chemical material if reported pregnant, the worker would be transferred to non-agrochemical work (e.g.: compound and daycare officer).</li> <li>• The gender committee had socialized some policies related to pregnancy and sexual harassment.</li> <li>• The certification unit has had a policy to protect female workers from sexual harassment in the workplace as well as a grievance mechanism. The certification unit also implemented some regulations related to reproductive rights such as menstruation leave and maternity paid leave.</li> </ul>	There were no negative issues related to gender discrimination that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.
<b>Labour Union of Mill and Estate (SPSI)</b> <ul style="list-style-type: none"> <li>• The certification unit supports employee organizational activities and has never intimidated or intervened.</li> <li>• All employees working at estate and mill are permanent worker.</li> <li>• Already have a Collective Labor Agreement.</li> <li>• The wage reference used is <i>UMK</i> for 2022.</li> <li>• No issues related to employment in the last 1 year.</li> <li>• Special health checks for employees with high risk in 2021 will still be carried out in accordance with the Covid-19 protocol</li> </ul>	There are no negative issues that require further verification. Employment aspects have been discussed in the report

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Local Contractor (PT OBN Setia Perkasa)</b>  a. The agreement has been agreed by both parties. b. OBN Setia Perkasa is a labour service company. c. Contractor provides PPE to workers. d. Contractor pay worker wages in accordance with the minimum wage applicable in the local area e. Contractors involve their employees in the <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> program f. There were no complaints regarding payments and payments in accordance with the work agreement.	There is no negative issue related to local contractor.
<b>Local Contractor (PT Gunung Kawi Sukses Makmur)</b>  a. The agreement has been agreed by both parties. b. PT Gunung Kawi Sukses Makmur is a CPO and PK transporter. c. Contractor provides PPE to workers. d. Contractor pay worker wages in accordance with the minimum wage applicable in the local area e. Contractors involve their employees in the <i>BPJS Ketenagakerjaan</i> program f. There were no complaints regarding payments and payments in accordance with the work agreement.	There is no negative issue related to local contractor.

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Socfin Indonesia Head of Sustainability Sub Department</p>  <p><b><u>Andria Zulmanitra</u></b> Monday 15 August 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Moh Arif Yusni</u></b> Monday 15 August 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	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire	01 August 2022		√
2	WWF	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire	01 August 2022		√
3	WALHI	Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire	01 August 2022		√
4	AMAN	Indonesia	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Questionnaire	01 August 2022		√
5	NGO Penjara (Pemantau Kinerja Aparatur Negara)	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	09 August 2022	√	
6	Manpower, Cooperative and Micro-Enterprises	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	09 August 2022	√	
7	Department of Agriculture and Animal Husbandry	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	09 August 2022	√	
8	National Land Agency	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	09 August 2022	√	
9	Environmental services	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	09 August 2022	√	
10	Worker Union	PT Socfindo – Bangun Bandar		Direct Interview	09 August 2022	√	
11	Gender Committee	PT Socfindo – Bangun Bandar		Direct Interview	09 August 2022	√	
12	Dolak Sagala Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	09 August 2022	√	
13	Bah Kerapu Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	09 August 2022	√	
14	Aras Panjang Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	09 August 2022	√	
15	Ujung Silau Village	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	09 August 2022	√	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
16	Worker Cooperative PT Socfindo – Bangun Bandar	PT Socfindo – Bangun Bandar	-	Direct Interview	09 August 2022	√	
17	PT OBN Setia Perkasa (Contractor for Immature Upkeep).	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	09 August 2022	√	
18	PT Gunung Kawi Sukses Makmur (Transporter for CPO and PK Transport).	Serdang Bedagai District, Province of Sumatera Utara	-	Interview by phone	09 August 2022	√	
19	Bangun Bandar Mill (17 Workers)	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	10 August 2022	√	
20	Bangun Bandar Estate (42 workers)	Serdang Bedagai District, Province of Sumatera Utara	-	Direct Interview	10 August 2022	√	

**Appendix 2. Assessment Program**

DATE	08 – 12 AUGUST 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
MONDAY, 08 AUGUST 2022		
07.00 – 09.30	JAKARTA → MEDAN	All Auditor
10.00 – 12.00	MEDAN → PT SOCFIN INDONESIA (Bangun Bandar POM)	
14.00 – 15.30	OPENING MEETING <ul style="list-style-type: none"><li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li><li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li></ul>	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"><li>Document review and completing audit checklist.</li><li>Verification of Basic Information Mill and Estate</li><li>Confirmation of Time Bound Plan</li><li>Review of Partial Certification</li></ul>	
TUESDAY, 09 AUGUST 2022		
08.00 – 12.00	Stakeholder Consultation <ul style="list-style-type: none"><li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders</li><li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner as well as Local NGO</li><li>public consultation with stakeholder to relevant agency in Serdang Bedagai Regency (by Phone)</li></ul>	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"><li>Break</li></ul>	
14.00 – 16.15	Field observation to Bangun Bandar POM: <ul style="list-style-type: none"><li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li><li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li><li>Implementation of Employment Procedure and Mechanism Aspect</li></ul>	All Auditor
16.15 – 17.00	Presentation of Daily Progress	
WEDNESDAY, 10 AUGUST 2022		
08.00 – 12.00	Field Observation to Bangun Bandar Estate Aspect to be verified : <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li><li>Implementation of Occupational Health &amp; Safety Aspect</li></ul>	All Auditor



DATE	08 – 12 AUGUST 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"><li>- Implementation of Employment Procedure and Mechanism Aspect</li><li>- Observation of Workers Facilities (Housing, School, Worship Place).</li></ul>	
12.00 – 14.00	<ul style="list-style-type: none"><li>• Break</li></ul>	All Auditor
14.00 – 16.00	<ul style="list-style-type: none"><li>• Verification of stakeholder consultation result and field visit.</li><li>• Document review and completing audit checklist.</li></ul>	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"><li>• Presentation of Daily Progress</li></ul>	
THURSDAY, 11 AUGUST 2022		
08.00 – 12.00	<ul style="list-style-type: none"><li>• Continued field observation and Public Consultation if needed)</li><li>• Document review and completing audit checklist.</li></ul>	All Auditor
12.00 – 14.00	Break	
16.00 – 17.00	<ul style="list-style-type: none"><li>• Verification of stakeholder consultation result and field visit.</li><li>• Document review and completing audit checklist.</li></ul>	
16.15 – 17.00	<ul style="list-style-type: none"><li>• Presentation of Daily Progress</li></ul>	
FRIDAY, 11 AUGUST 2022		
08.00 – 09.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
09.00 – 10.30	<b>Closing Meeting</b> <ul style="list-style-type: none"><li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)/</li><li>• Comments, Responses and Questions</li></ul>	
11.30 – 14.00	PT SOCFIN INDONESIA (Bangun Bandar POM) → MEDAN	
16.00 –	MEDAN → JAKARTA	