

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

**[ ✓ ] Surveillance**

Name of Management : Gandaerah Hendana Palm Oil Mill – PT Gandaerah Hendana Subsidiary of Organisation S&G Biofuel PTE. LTD  
Plantation Name : PT Gandaerah Hendana, Estate 1, Estate 2, and Estate 3  
Location : Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia  
Certificate Code : **MUTU-RSPO/128**  
Date of Certificate Issue : 14 May 2019 Date of License Issue : 14 September 2022  
Date of Certificate Expiry : 13 May 2024 Date of License Expiry : 13 May 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	13 to 17 June 2022	Briyogi Shadiwa (Lead Auditor), Erika Lucitawati, Rindu Galih Rezza Rachmansyah, and Harry Wahyudi	Moh Arif Yusni	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	07 September 2022

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Figure 1. Location Map of PT Gandaerah Hendana

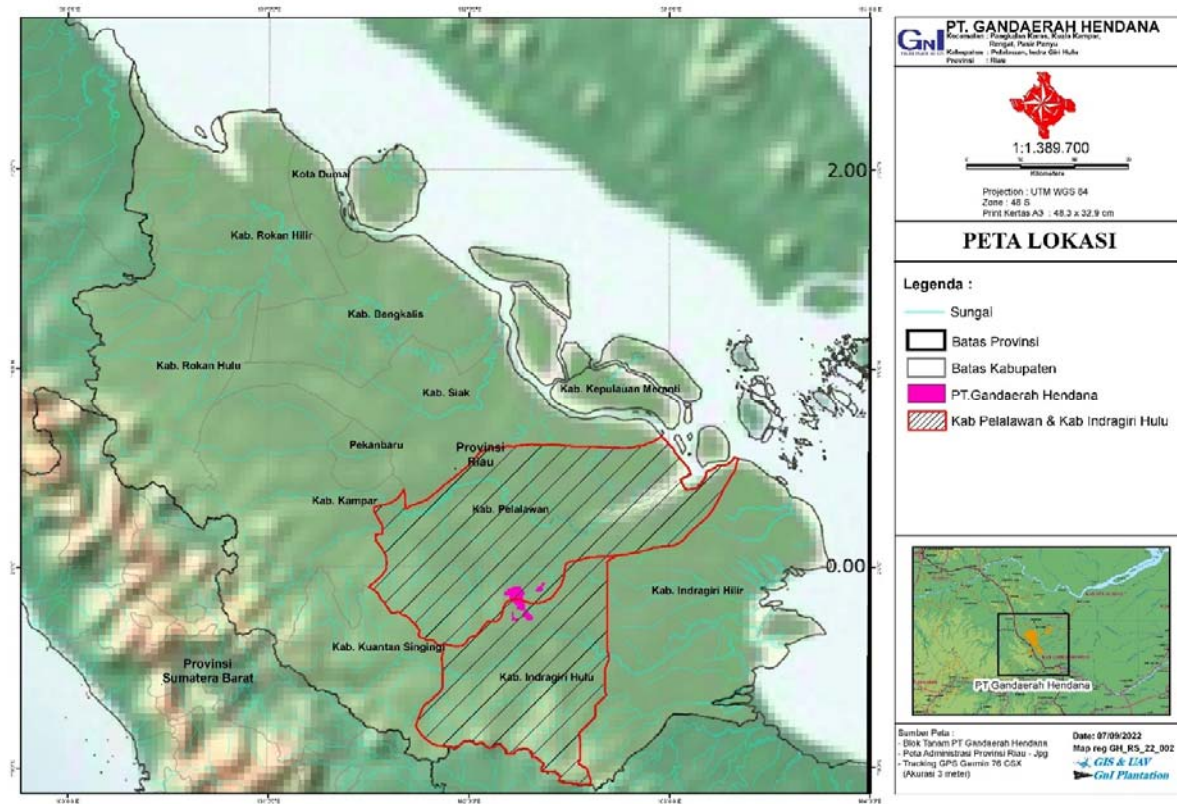
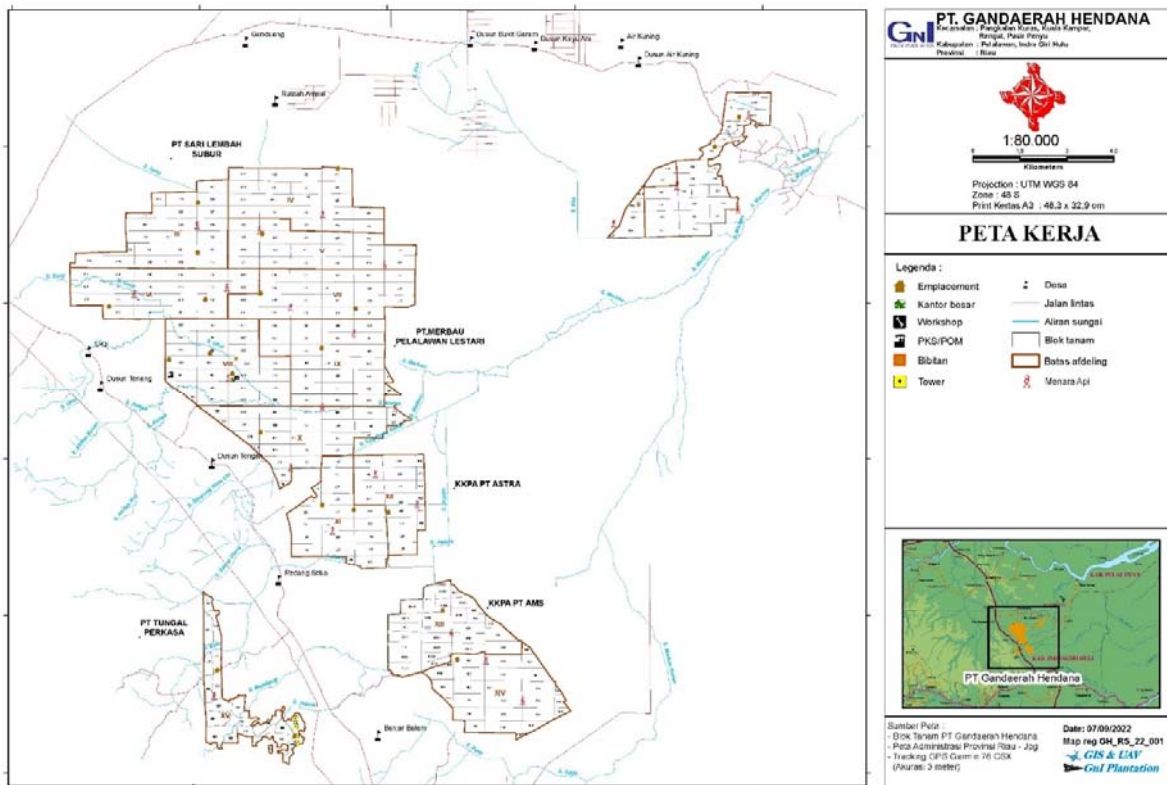


Figure 2. Operational Map of PT Gandaerah Hendana



**Abbreviations Used**

AKAD	: Migran Worker or <i>Angkatan Kerja Antar Daerah</i>	KA	: <i>Kerangka Acuan</i>
ANDAL	: <i>Analisis Dampak Lingkungan</i>	KER	: Kernel Extraction Rate
ASA	: Annual Surveillance Assessment	KTPA	: <i>Kelompok Tani Peduli Api</i>
BKSDA	: <i>Balai Konservasi Sumber Daya Alam</i>	K3L	: <i>Kesehatan, Keselamatan, Keamanan, dan Lingkungan</i>
BMP	: Best Management Practices	LC	: Land Clearing
BOD	: Biological Oxygen Demand	LPUP	: Plantation Business Progress Report
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrator)	LSU	: Leaf Sampling Unit
BHL	: <i>Buruh Harian Lepas</i> (Casual Worker)	MCU	: Medical Check Up
BUS	: <i>Bangunan Unit Semprot</i> (Spray Unit Building)	MM	: Mill Manager
CB	: Certification Body	MSDS	: Material Safety Data Sheet
CEO	: Chief Executive Officer	MUTU	: Mutuagung Lestari
CFO	: Chief Financial Officer	NGO	: Non-Government Organization
CH	: Certificate Holder	OER	: Oil Extraction Rate
CITES	: Convention, International, Threatened, Endangered Species	OFI	: Opportunity for Improvement
COO	: Chief Operating Officer	OHS	: Occupational Health and Safety
CPO	: Crude Palm Oil	OHSAS	: Occupational Health and Safety Assessment Series
CR	: Collection Road	PIC	: Person In Charge
CSPO	: Certified Sustainable Palm Oil	PK	: Palm Kernel
CSR	: Corporate Social Responsibility	POM/PKS	: Palm Oil Mill
CLA	: Collective Labour Agreement	POME	: Palm Oil Mill Effluent
DPLH	: <i>Dokumen Pengelolaan Lingkungan Hidup</i>		
EFB	: Empty Fruit Bunches	PPE	: Personal Protective Equipment
EHS/K3	: Environmental, Health and Safety	OHS committee	: <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee)
EIA	: Environmental Impact Assessment	PKWT	: Perjanjian Kerja Waktu Tertentu (Specific Time Work Agreement)
		PKO	: Palm Kernel Oil
EMS	: Environmental Management System	PT GH	: PT Gandaerah Hendana
FFA	: Free Fat Acid	QC	: Quality Control
FFB	: Fresh Fruit Bunches	QHSE	: Quality, Health, Safety and Environmental
FPIC	: Free, Prior and Informed Consent	RKL- RPL	: Environmental Management and Monitoring Report
GH	: Gandaerah Hendana	RSPO	: Roundtable on Sustainable Palm Oil
GHG	: Green House Gases	RTE	: Rare, threatened or endangered
HCV	: High Conservation Value	SCCS	: Supply Chain Certification System
		SIMPEL	: <i>Sistem Informasi Pelaporan Elektronik Lingkungan Hidup</i>
HGU	: <i>Hak Guna Usaha</i> (Land Use Title/Right)	SIA	: Social Impact Assessment
HIRAC	: Hazard Identification Risk Assessment and Control	SOP	: Standard Operating Procedure

HRD	:	Human Resources Development	SPO	:	Sustainability Palm Oil
HSE	:	Health Safety and Environment	SOP	:	Standard Operating Procedure
IPM	:	Integrated Pest Management	SSU	:	Soil Sampling Unit
ISCC	:	International Sustainability and Carbon Certification	SKU	:	<i>Syarat Kerja Utama</i> (Permanent Worker)
ISO	:	International Standard Organization	TORA	:	<i>Tanah Objek Reformasi Agraria</i>
ISPO	:	Indonesia Sustainable Palm Oil	WHO	:	World Health Organization
IUCN	:	International Union for Conservation of Nature	WTP	:	Water Treatment Plant
DLW	:	Decent Living Wage	WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification System for Principles and Criteria, 12 November 2020.</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT Gandaerah Hendana Subsidiary of S&amp;G Biofuel PTE. LTD</b>	
1.2.2	Contact person	Didik Sugeng Hariyanto	
1.2.3	Organisation address and site address	RSPO registered company: 3 Church Street, # 21-04 SAMSUNG HUB, 049483, Singapore  Liaison Office: Mega Asri – Green Office, Block B2-8 Jl. Arifin Ahmad, Pekanbaru, Riau, 28282, Indonesia	
1.2.4	Telephone	(0761) 859774	
1.2.5	Fax	(0761) 859247	
1.2.6	E-mail	<a href="mailto:didik@gniplantation.com">didik@gniplantation.com</a>	
1.2.7	Web page address	<a href="http://gnipalmoil.com/">http://gnipalmoil.com/</a>	
1.2.8	Management Representative who completed the application for certification	Didik Sugeng Hariyanto	
1.2.9	Registered as RSPO member	1-0238-17-000-00, August 14 <sup>th</sup> , 2017	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Gandaerah Hendana POM) and 3 supply bases: Estate 1; Estate 2; Estate 3	
1.3.2	Type of certificate	<b>Single</b>	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Gandaerah Hendana	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	S 00° 09' 28"      E 102° 12' 21"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Estate 1	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	S 00° 06' 52"      E 102° 13' 57"
	Estate 2	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	S 00° 09' 28"      E 102° 13' 29"
	Estate 3	Village of Redang Seko & Banjar Balam, Sub District of Lirik, District of Indragiri	S 00° 13' 52"      E 102° 17' 15"



		Hulu, Province of Riau, Indonesia			
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		11,097.02 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	• Total area		11,097.02	Ha	
	• Mature area		9,207.33	Ha	
	• Immature area		1,202.22	Ha	
	• Emplacement		38.58	Ha	
	• Mill		13.75	Ha	
	• Nursery		15.32	Ha	
	• HCV		52.07	Ha	
	• Road & Ditch		567.63	Ha	
	• Electric Pole		0.12	Ha	
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Estate 1	Estate 2	Estate 3	Total
	1993	-	215.86	-	215.86
	1994	-	298.08	-	298.08
	1995	-	155.42	191.30	346.72
	1996	-	4.65	267.32	271.97
	1997	-	74.37	138.65	213.02
	1998	37.45	74.47	168.74	280.66
	1999	-	565.67	51.54	617.21
	2000	75.87	34.32	40.95	151.14
	2001	38.97	111.84	121.63	272.44
	2002	190.37	628.99	534.52	1,353.88
	2003	515.52	337.51	100.63	953.66
	2004	724.57	260.05	284.16	1,268.78
	2005	72.90	264.09	502.46	839.45
	2006	58.09	111.18	606.29	775.56
	2007	340.65	36.00	82.76	459.41
	2008	47.20	54.24	-	101.44
	2009	66.05	38.42	-	104.47
	2010	-	16.48	-	16.48
2011	-	25.15	-	25.15	



	2013	253.70	-	-	253.70		
	2014	67.48	-	-	67.48		
	2015	-	-	26.02	26.02		
	2016	-	-	9.64	9.64		
	2019		186.45	98.66	285.11		
	<b>Sub Total Mature</b>	<b>2,488.82</b>	<b>3,493.24</b>	<b>3,225.27</b>	<b>9,207.33</b>		
	2020	152.25	263.78	-	416.03		
	2021	-	38.23	-	38.23		
	2022	448.19	299.77	-	747.96		
	<b>Sub Total Immature</b>	<b>600.44</b>	<b>601.78</b>	<b>-</b>	<b>1,202.22</b>		
	<b>TOTAL</b>	<b>3,089.26</b>	<b>4,095.02</b>	<b>3,225.27</b>	<b>10,409.55</b>		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Gandaerah Hendana	60	208,892.79	39,829.01	19.07	9,634.82	4.61
	*Production data source from 12 months before assessment (June 2021 – May 2022)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonne s/year)	%
	Estate 1	3,311.89	2,488.82	55,078.50	22.13	44,128 .06	80.11
	Estate 2	4,404.21	3,493.24	58,545.25	16.75	58,436 .03	99.81
	Estate 3	3,380.92	3,225.27	69,894.88	21.67	65,104 .82	93.14
	<b>TOTAL</b>	<b>11,097.02</b>	<b>9,207.33</b>	<b>183,518.63</b>	<b>19.93</b>	<b>167,66 8.91</b>	<b>91.36</b>
	*Production data source from 12 months before assessment (June 2021 – May 2022)						
	*Remaining FFB from Estate 3 send to other certified POM (Inecda POM).						
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	CV Dani Tjahyadi (Non certified RSPO)	Outgrower	-	-	5,364.72		

	Hasrat Sejahtera (Non certified RSPO)	Outgrower	-	-	20,080.70			
	Sawit Alam Permai (Non certified RSPO)	Outgrower	-	-	546.02			
	Syariah Banjar Sari (Non certified RSPO)	Outgrower	-	-	2,485.31			
	Estate I (Non certified RSPO)	PT Gandaerah Hendana	-	538.17	10,688.44			
	Estate III (Non certified RSPO)	PT Gandaerah Hendana	-	227.63	2,173.01			
	TOTAL				41,338.20			
*Production data source from 12 months before assessment (June 2021 – May 2022)								
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (June 2021 – May 2022) (MT)				
	FFB Processed		187,000	167,668.91				
	CPO Production		37,400	32,848.30				
	Palm Kernel (PK) Production		9,350	7,719.10				
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (June 2021– May 2022) (MT)					
	CSPO sold as RSPO certified product		32,749					
	CSPK sold as RSPO certified product		7,700					
	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(s)	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)			
	Estate 1	3,311.89	2,488.82	44,800	18.00			
	Estate 2	4,404.21	3,493.24	62,900	18.01			
	Estate 3	3,380.92	3,225.27	64,500	20.00			
	TOTAL	11,097.02	9,207.33	172,200	18.70			
*Projected FFB production for 12 months of certificate								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	Gandaerah	60	172,200	34,440	20.00	8,610	5.00	MB

	hendana							
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2015			Certificate number EMS210198 for Mill and Certificate number EMS210239 for Estate issued by PT TSI.				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			ISPO Certified (MUTU-ISPO/074)				
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						
	Gandaerah Hendana POM (PT Gandaerah Hendana)	2018	Estate 1	2018	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	Certified		
			Estate 2	2018		Certified		
			Estate 3	2018		Certified		
			Non HGU Area Estate 1 (538.17 Ha)	2023		-		
			Non HGU Area Estate 3 (227.63 Ha)	2023		-		
	Inecda POM (PT Inecda)	2018	Estate 1	2018	Village of Tani Makmur, Sub District of Rengat Barat, District of Indragiri Hulu, Province of Riau, Indonesia	Certified		
			Estate 2	2018		Certified		
			Area covering 135.65 Ha	2023		-		
	1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard						
		There is no associated smallholder and outgrower for certifiable standard						

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-3</b>	<p><b>1. Briyogi Shadiwa (Lead Auditor).</b> Indonesian citizens. Associate Degree of Oil Palm Plantation. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified legal, supply chain, and partial aspect.</p> <p><b>2. Rindu Galih Rezza Rachmansyah (Auditor)</b> Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP &amp; NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During assessment, he assigned to verification towards worker welfare, information disclosure, transparency, and social aspect.</p> <p><b>3. Erika Lucitawati (Auditor).</b> Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Auditor Training, RSPO Lead Auditor Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified GHG, HCV and environmental aspect.</p> <p><b>4. Harry Wahyudi (Auditor Trainee).</b> Indonesian citizen, Bachelor of Agricultural Technology, Department of Agricultural Engineering, Bogor Agricultural University. He has 8 years of working experience as a Field Assistant and Internal Audit Operational in a palm oil company and 3 years working experience as a Supervisor Internal Audit operational in a Industrial Forest Plantation Company. Has attended several trainings such as ISO 19011:2018, ISO 9001:2015, ISO 17021:2015, ISO 17065:2015, ISO 45001:2018, ISO 14001:2015 and OHS General Supervisor. During this audit, has verified OHS and best management practices and safety aspect under supervision by lead auditor.</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-3</b>	<p>Number of auditors: 3 auditors with 1 trainee</p> <p>Number of days for <b>ASA-3</b> at site: 5 days</p> <p>Number of working days for <b>ASA-3</b> at site: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Gandaerah Hendana, Gandaerah POM Unit Certification based on:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li> <li>• RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li> </ul> <p>The scope of certification of PT Gandaerah Hendana consist of one mill (Gandaerah Mill) and three estates (Estate-1, Estate-2, and Estate-3).</p> <p>The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</p>

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

The opening meeting was held on 13 June 2022. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, Support Team from Pekanbaru and other staff. Closing meeting was held on 18 June 2022 attended by the same participants as the opening meeting. Management PT Gandaerah Hendana accept all the onsite ASA-3 audit results.

Public Stakeholder Notification was made on <https://mutucertification.com>. 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.

Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix 1.

Currently there is a change in the extent of the scope related to the occupation area (previous assessment). The company has legally relinquished land rights in the occupied area, this can be seen from the review of the HGU document which has been revised in size in accordance with the release request that has been sent to the Land Agency of Pelalawan and Indragiri Hulu. In detail, the area of land rights owned by the company are:

- HGU No. 1 of 1997 with an area of 900.26 ha.  
There has been a change in the area of HGU (previously covering an area of 1,360 ha) in accordance with the Declaration Letter of Release of Land Rights (No.: 725/BA-HP.01-14.05/XII/2020) on December 8, 2020 which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No. 2 of 1997 with an area of 6,398.25 ha.  
There was a change in the area of HGU (previously covering an area of 6,437) in accordance with the Declaration Letter of Release of Land Rights (No.: 726/BA-HP.01-14.05/XII/2020) on December 8, 2020 which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No.16/1997 with an area of 3,295.51 ha.  
There was a change in the area of HGU (previously covering an area of 6,087) in accordance with the Declaration Letter of Release of Land Rights (No.: IP.02.01/1777-14/XII/2020) on December 8, 2020 which was recognized by the Head of the Land Office of Indragiri Hulu Regency.
- HGU No.14/1996 with an area of 200 ha.
- HGU No.18/2000 with an area of 200 ha.
- HGU No.21/2003 with an area of 103 ha

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

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

The assessment program please find Appendix 2.

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-3</b>	<p><b>Gandaerah Hendana POM</b></p> <ul style="list-style-type: none"> <li>• <b>Hazardous Waste Temporary Warehouse.</b> Field observations and interview related hazardous waste management, OHS and environmental aspect.</li> <li>• <b>Spare part Warehouse.</b> Field observations and interview related spare part management, OHS, and environmental aspect.</li> <li>• <b>Chemical warehouse.</b> Field observations and interview related chemical management, OHS, and environmental aspect.</li> <li>• <b>Workshop.</b> Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.</li> <li>• <b>Laboratory.</b> Field observation and interview related to laboratory activities, OHS aspect and environmental.</li> <li>• <b>WTP.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Mill Drainage.</b> Observation related to mill effluent lines, sanitation mill and flow of leaching mill.</li> <li>• <b>WWTP.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Solid Waste.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Empty bunch area.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Security Post.</b> Observation of the FFB reception process at the security post, the use of PPE when entering the Mill</li> <li>• <b>Sorting Station.</b> Observation of FFB sorting work practices according to SOPs, implementation of OHS and environmental aspects</li> <li>• <b>Sterilizer Station.</b> Observation of the FFB boiling process according to SOPs, implementation of OHS and environmental aspects</li> <li>• <b>Press Station.</b> Observation of the pulp compression process according to the SOP, the application of OHS and environmental aspects</li> <li>• <b>Boiler Station.</b> Observation of boiler work process according to SOP, implementation of OHS and environmental aspects</li> <li>• <b>Engine Room Station.</b> Observation of work processes in the Engine Room according to SOPs, implementation of OHS and environmental aspects</li> <li>• <b>Weighbridge Station.</b> Observation and interview to worker related to supply chain procedure to make sure FFB is certified or not.</li> <li>• <b>Hydrant Simulation.</b> Observation related to usefulness of emergency response facilities owned by the company</li> </ul> <p><b>Estate 1</b></p> <ul style="list-style-type: none"> <li>• <b>Fertilizer Warehouse.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Pesticide warehouse.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Spray Unit Building and Agrochemical Mixing Facility.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Toxic and Hazardous Waste Storage.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Housing Complex Division 1.</b> Observation related to employee's facilities and environmental aspects.</li> <li>• <b>Diesel Tank.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Harvest, Block F31 Division 3.</b> Technical observation of work according to SOP and implementation of OHS aspects</li> <li>• <b>Weeding Manual, Block F25 Division 3.</b> Technical observation of work according to SOP and implementation of OHS aspects.</li> <li>• <b>Spray Unit Building, Division 5.</b> Observation related to implementation of procedures, OHS, and environmental aspects.</li> <li>• <b>Oryctes trap net, Block H23 Division 5.</b> Observation of the conditions and workings of traps and environmental management.</li> </ul> <p><b>Estate 2</b></p>



- **MOP fertilization, Block G2 Division 8.** Technical observation of work according to SOP, implementation of OHS and environmental aspects.
- **Oryctes trap net, Block I17 Division 7.** Observation of conditions, working of traps, implementation of OHS and environmental aspects.
- **Nursery Area.** Technical observation of work according to SOP, implementation of OHS and environmental aspects.
- **Subsidence stake, Block I13 Division 7.** Observing the condition of the peat subsidence measuring device and the suitability of the installation location.
- **Piezometer, Block H17 Division 7.** Observation of the condition of the tool and the suitability of the installation location.
- **Fertilizer Warehouse.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Pesticide Warehouse.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Material Warehouse.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Clinic.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Housing Complex Division 10.** Observation related to employee's facilities and environmental aspects.
- **Diesel Tank.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Oil Storage.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Land application, Block F3 Division 8.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Fire Monitoring Tower, Block J6 Division 10.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Firefighting Preparedness Warehouse.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **Workshop.** Observation related to implementation of procedures, OHS, and environmental aspects.

**Estate 3**

- **Spraying, Block J18 Division 11.** Technical observation of work according to SOP, implementation of OHS and environmental aspects.
- **Manual Road Maintenance, Block J26 Division 11.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Harvesting, Block K24 Division 11.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Pick Loses Fruits, Block K24 Division 11.** Technical observation of work according to SOP and implementation of OHS aspects.
- **Owl cages, Blocks K24 & J18 Division 11.** Observation of the condition of the owl cages and the activities of the Owl.
- **Housing Complex Division 11.** Observation related to employee's facilities and environmental aspects.
- **Landfill Division 11.** Observation related to waste management.
- **Spray Unit Building and Agrochemical Mixing Facility.** Observation related to implementation of procedures, OHS, and environmental aspects.
- **HGU Pole, No.28, 29 and 116.** Observation of the presence and suitability of HGU stakes.
- **HCV Area on Block R03 and R07.** Observation the implementation of management in HCV of riparian area.

<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-3</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Gandaerah Hendana was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website MUTU</li> <li>• Public consultation meeting with government institution on 14 and 15 June 2022.</li> <li>• Public consultation meeting with communities on 14 June 2022</li> </ul>



	<ul style="list-style-type: none"> <li>Public consultation meeting with internal stakeholders and contractor on 14 and 16 June 2022</li> <li>Public consultation via email (questionnaire) with NGO (AMAN, WALHI, Sawit Watch, WWF Indonesia) on 07 June 2022.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Gandaerah Hendana.</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 ( <b>ASA-4</b> ) will be conducted eight (8) months to twelve (12) month after date of annual license.

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Gandaerah Hendana POM – PT Gandaerah Hendana subsidiary of S&G Biofuel PTE. LTD, Berhad operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were no non-conformities.

MUTUAGUNG LESTARI found that Gandaerah Hendana POM – PT Gandaerah Hendana subsidiary of S&G Biofuel PTE. LTD operation complied with the requirements of RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<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>		
Company has a letter No. 4/HMS/GH/ukui/XI/2017 dated November 17, 2017 regarding the transparency of company documents. The documents that can be accessed based on the letter are:		
<ul style="list-style-type: none"> <li>• HGU certificate</li> <li>• ANDAL document</li> <li>• RKL-RPL report, hazardous management report and POME management report.</li> <li>• HCV (High Conservation value)</li> <li>• POME permit</li> <li>• Hazardous storage permit</li> <li>• Social Impact Assessment</li> <li>• Vision and mission of the company</li> <li>• Sustainability policy</li> <li>• Environmental Policy</li> <li>• OHS policy, quality, and CSR</li> <li>• HCV policy</li> <li>• Environmental work program</li> <li>• OHS work program</li> <li>• Logbook information</li> </ul>		
These documents can be accessed by sending a request to management.		
<b>1.1.2 and 1.1.3</b>		
Based on document verification, it is known that the certification unit has a Communication, Consultation and Participation procedure with document number 004-SOP-ISP, revised: 00, effective January 2, 2014 with the approval of the COO (Chief Operation Officer). In this procedure, communication is divided into internal communication and external communication. For external communication, HSE Estate Officers, POM, legal / public relations staff are tasked with receiving and submitting input / complaints / communications from outside parties to company management, and related management to provide a response no later than 10 days.		

Record of information requested and its response traceability is presented in document of Logbook of Incoming and Outgoing Letter of PT Gandaerah Hendana. Based on document verification, there is only request for assistance from surrounding community in 2021-2022 period. For example, record of assistance request in 2022 are presented as follows:

- Letter No. 07/K-AN/BB/V/2022 on 17 May 2022 from representatives of Bajar Balam Village regarding to assistance of trench washing in Banjar Balam Village that is one of the outlets of Division XIII and Division XIV of PT Gandaerah Hendana. This letter has been responded and implemented by company on 19 May 2022.
- Letter from representative of Ukui Dua Village on 7 March 2022 regarding to assistance of food to old widow in Ukui Dua Village. This letter has been responded by company on 19 May 2022. Company has also implemented this program on Ukui Dua Village (8 March 2022), Banjar Balam Village (18 March 2022), Kerumutan Village (12 April 2022), and Rendang Seko Village (7 April 2022).

Based on result of verification towards public issued happened in PT Gandaerah Hendana, there is email on 18 November 2021 from online media journalist which has been submitted to Certification Body related to land fire occurrence in 2019 in PT Gandaerah Hendana. Email also has attachment regarding High Court (*Pengadilan Tinggi*) of Rengat Decision No. 256/Pid.Sus/PN Rgt on 4 November 2021. Company has clarified this issue and showed several documents regarding to request of information and its responses as follows:

- Letter No. 6021.28/EXT-MUTU/XI/2021 on 29 November 2021 from Certification Body to PT Gandaerah Hendana related to request for clarification and verification towards information of land fire in PT Gandaerah Hendana.
- Letter No. 607/SPO/GH-PKU/XII/2021 on 1 December 2021 from PT Gandaerah Hendana to Certification Body. PT Gandaerah Hendana stated that land fire happened in September 2019 was in occupancy land. Since fire occurred in that area, company had done effort to extinguished fire with local police, *Manggala Agni* and *Masyarakat Peduli Api* Team. This occupancy land from 2005-2020 has been handled through *Tanah Objek Reformasi Agraria* (TORA) program initiated by Land Agency of Riau Province and Indragiri Hulu Regency. *Penyidik Pegawai Negeri Sipil* (PPNS) *Gakkum KLHK* of Sumatera Region has done legal proceeding as follows:
  - Minutes of Termination of Certain Violations and Installation of Prohibition Carried Out Activities Boards on 16 September 2019.
  - Investigation since September 2019-August 2020.
  - Determination of suspect is based on Suspect's Decision Letter No. SP.Tap.01/BPPHLHK-SWII/PPNS/08/2020 on 14 August 2020.
  - Implementation of Phase II based on Notification Letter No. SP.Tap.01/BPPHLHK-SWII/PPNS/08/2020 on 29 July 2021.
  - Trial process started on September 1 September-10 November 2021 at High Court of Rengat based on Letter No. 256/Pid.Sus/PN Rgt.
  - Decision of trial at High Court of Rengat which stated PT Gandaerah Hendana was guilty of a criminal act intentionally, a criminal fine of Rp. 8,000,000,000 and an additional criminal fine of Rp. 208,848,730,000.
  - Based on the facts of the trial, PT Gandaerah Hendana did not meet the criminal elements in the actions of forest and land fires as evidenced by the absence of perpetrators of forest and land burning and did not meet the elements of accident or negligence.
  - PT Gandaerah Hendana made an appeal to the High Court of Pekanbaru based on Memorandum of Appeal Deed on 29 November 2021.
- Land Permit No. 16 which has been revised by National Land Agency of Indragiri Hulu on 23 April 2021 from 6,087 ha to 3,295.51 ha. This showed that land fire happened in 2019 is included in occupancy land which has been released and validated by National Land Agency of Indragiri Hulu.
- Email on 19 January 2019 from PT Gandaerah Hendana to Certification Body regarding to Decision of High Court of Pekanbaru No. 640/PID.B/LH/2021/PT BPR related to appeal decision result from High Court of Pekanbaru. This decision stated in page of 293 that PT Gandaerah Hendana is not proven legally and convincingly guilty of committing a crime as charged.

Based on document verification, request information from stakeholders has been which has been in accordance with specified time period stated in company's procedure. Besides, based on document verification and stakeholders' consultation results, it was known that the language used is the language understood by stakeholders. Results of

interview with several government agencies, community leaders, contractor partners, and other stakeholders revealed that they had understood the communication procedures with the company.

Company has also mandatory report to the government agency which are available in Bahasa and in accordance with applicable regulations. Company has shown examples of receipt of mandatory report to government agency which has been summarized in the following table:

Agency	Report	Date of Delivery
Land Agency (BPN)	Land Title Usage Report of 2021	30 December 2021
Environmental Agency	POME Management of March 2022	13 April 2022
	Hazardous Waste Management Report of First Quarter of 2022	20 April 2022
	Management and Monitoring (RKL-RPL) Report of Second Semester of 2021	25 February 2022
Plantation Agency	Plantation Progress (LPUP) Report of Second Semester of 2021	7 February 2022

#### 1.1.4

Company has a SOP of Communication, consultation and participation with document number 004-SOP-ISP revised: 00 with an effective date on January 2, 2014 which was approved by the COO (Chief Operation Officer). In this procedure, communication is divided into internal communication and external communication. The external communication procedures are as follows:

- The HSE officer identifies each environmental and OHS information that will be communicated to the relevant external parties.
- The estate/ POM manager decides whether communication of information will be communicated to third parties or not.
- If the environmental or OHS information is decided to be communicated to the company's external parties, then the legal / public relations department will act to communicate with the company's external parties.
- The HSE officer together with the legal / public relations department staff are obliged to document all records that arise in the implementation of the communication.
- If there are input / complaints / communication from external parties, the company:
  - Estate / POM HSE Officer or company legal / public relations staff are in charge of receiving and submitting input / complaints / communication from external parties to the company management.
  - Management forms a team to resolve input / complaints / communications from external parties
  - Management can provide information openly and adequately to the public (stakeholders) matters relating to environmental management, Occupational Safety and Health management systems and management of the company's social environment, as long as it does not involve confidential information that is commercial in nature.
  - Management through the relevant departments provides answers to requests for information to external parties no later than 10 (ten) days from the date of receipt of the information request.
  - HSE Officer / legal / public relations staff are obliged to monitor the resolution of complaints / input or communication from the external party

PT Gandaerah Hendana has been carried out socialization those procedure to stakeholders. For example, socialization of consultation and communication procedures to representatives of surrounding community (i.e. Lirik District, Banjar Balam Village, Pasir Ringgit Village, Rendnag Seko Village, Seluti Village, Air Molek Village, etc.) and employees of PT Gandaerah Hendana on 23 February 2022 which has been participated by 47 participants. Based on stakeholder consultation obtained information if the affected parties / stakeholder known the mechanism of consultation and communication with the company.

#### 1.1.5

Company has a list of stakeholders that inform the name of the institution / agency, contact person, position, cell phone number, and address for each unit as follows:

PT Gandaerah Hendana stakeholder list for 2022:

- Government Services / Agencies: 10 stakeholders
- District: 6 stakeholders
- Village / Village: 6 stakeholders
- Youth Organization: 7 stakeholders
- Contractors: 16 stakeholders
- Academic: 2 stakeholders
- Health facilities: 3 stakeholders
- Labor Unions: 3 stakeholders
- Gender Committee: 1 stakeholder
- Worker Cooperative: 1 stakeholder

Based on document verification, it is known that the certification unit has shown a list of stakeholders update 2022. This document contains information on the name of agency, name concerned, position, and telephone number. These stakeholders include local government agency of Pelalawan Regency, District Heads, Sector Police Heads, Village Heads, Karang Taruna Heads, community leaders, contractors, academics, Community Health Center, and internal organization. In the current list of stakeholders, names, institutions/positions, addresses, categories and contact numbers are also explained. Based on sampling for interviews with stakeholders referring to the stakeholder list document, it can be concluded that all contacts listed in the document are still active and in accordance with the data provided.

The unit of certification does not have a previous land owner, because all areas come from state land.

**Status: Comply**

## 1.2

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

#### 1.2.1

The company have Sustainable Palm Oil policy which was approved on April 1, 2014 by the Director, which sets the following policies:

- The company will always comply with all applicable laws and regulations in the Republic of Indonesia relating to the company's operational activities,
- The company will always implement an environmental management system, occupational health safety, throughout the company's work units, preventing environmental pollution, accidents and occupational diseases.
- The company will always apply land clearing without burning
- The company will not conduct new land clearing in areas that are categorized as high conservation areas based on applicable laws and regulations.
- The company will always provide equal opportunities for everyone to work and develop their careers in accordance with the competition and opportunities that exist and do not tolerate racial, ethnic, religious, and religious discrimination.
- The company will always provide an opportunity for every employee to organize and associate in accordance with applicable regulations.
- The company will not employ underage children.
- The company will always ensure that all employees have been included in the workforce social security program in accordance with applicable regulations.
- The company supports and facilitates the formation of employee cooperatives in every work unit of the company

The certification unit has a code of conduct in the form of a CEO Compliance Letter, which contains integrity and anti-corruption issues, and is disseminated to employees of stakeholders related to the company. One example sent to the vendor includes:

- Have a business license / legal entity
- Meets OHS standards
- Provide a safe and healthy work environment
- Do not employ minors

- Do not practice bribery and other practices that are not in accordance with ethical business practices
- Record all transactions and practices with the company in detail.

This policy covers all operational activities of PT Gandaerah Hendana, including the prohibition of corruption, bribery and fraud in the use of funds and resources as well as compliance with reasonable business practices. Based on the results of interviews with workers in the sampling units such as in the mill and estate who stated that all of them had received socialization related to the company's code of ethics which includes prohibition of corruption, bribery and fraud in the use of funds and resources and adherence to reasonable business practices in all operational areas. The worker explained that it is not permissible to take actions that violate the company's code of ethics, for example committing crimes, gambling, domestic violence, bribery and so on. The company has socialized the company code of ethics policy to all employees of PT Gandaerah Hendana employees.

Based on the explanation above, it can be concluded that the certification unit has committed to act ethically in all business operations and transactions in accordance with the code of ethics policy that has been approved by the company.

### 1.2.2

The company has a system for monitoring compliance and implementation of the policy, as well as overall ethical business practices. Based on the results of the 2021-2022 (May) complaints document review, it was concluded that there were no reports related to violations of ethical business practices. the company also routinely conducts financial audits carried out by external audits or public accountant audits. The company has a financial report of PT Gandaerah Hendana on 31 Public Accountant Firms (Business License Number: KEP-241 / KM.1 / 2015 and Public Accountant License No. Ap.0239). the results of the report note that the financial statements are fairly presented, in all material respects, the financial position and financial performance and cash flows for the year ended on that date, in accordance with Indonesian Financial Accounting Standards. The Company has also conducted audits of public accountants for fiscal Public Accountants (Business License Number: KEP-241 / KM.1 / 2015).

In addition, there is a Whistle Blowing system that establishes the flow of complaints/reports of violations in all employees, without worrying, are willing to convey the possibility of fraudulent practices occurring within the certification unit. Based on the results of interviews with workers in Estate 1-3, stated that all of them was aware of Whistle Blowing system that has been implemented and can be accessed by all workers, including contract workers. In addition, there are statements from third parties in who have a work agreement with the certification unit, its stated they have been given socialization related to the code of ethics and the Whistle Blowing System before ratifying the cooperation agreement. This is done to ensure that before collaborating with the certification unit, his party does not commit a violation or can report a violation when a certification unit commits a violation during the collaboration.

During the past year there have been no reports related to violations committed by internal/external parties and this is evidenced by the results of a document review related to reporting documentation for the Whistle Blowing System.

**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 Regulation

- Plantation business permit in Integrated License Services Head of Riau Decree Reff No. Kpts.10/BP2T-IR/II/2014 dated on 24 February 2014 concerning to provision of plantation business permit for oil palm plantation on behalf PT.



Gandaerah Hendana covering area +/- 6,590 ha in Indragiri Hulu District, +/- 7,797 ha in Kampar District and Mill with 60 tonnes FFB/hour capacity.

- Building Permit (No.: 221/BPMD&PPT/BP-IMB/X/2013) by the Regional Secretariat of the Indragiri Hulu Regency Government on 17 October 2013 to construct office buildings, employee housing and other supporting facilities for PT Ganarea Hendana.

### **OHS Regulation**

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

- Occupational Health and Safety Committee (P2K3): has a OHS committee organizational structure and emergency response that has been approved by the *Dinas Tenaga Kerja Kabupaten Pelalawan*, has a OHS committee program, organizes Occupational Health and Safety training programs, quarterly OHS committee reports, has procedures related to OHS and Emergency Response, etc.
- Provision of Personal Protective Equipment (PPE) from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC. Provision of PPE from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC.
- Conduct a general medical check-up (Medical Check Up) every year for all workers and special examinations (cholinesterase, and audiometry) according to the level of risk / danger for a particular job.
- Having a license/competence for several special jobs that require more expertise such as OHS experts, boiler operators, diesel engine operators, welders, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Conduct an internal audit of the Occupational Health & Safety Management System.

### **Best Management Practice Regulation**

- Using oil palm seeds from seed-producing companies that are recognized and certified by the authorized agency
- Have a policy to stop the use of paraquat herbicide and no use of paraquat herbicide was found.

### **Environmental Regulation**

- EIA document of Oil Palm and Rubber Plantation and Palm Oil Mill of PT. GANDAERAH HENDANA has obtained approval from the Secretary General / Chair of the AMDAL Commission at the Ministry of Forestry and Plantation Center No. 636 / Menhut-II / 2001 dated May 1, 2001. Scope of AMDAL studies covering the area of PT Gandaerah Hendana's plantation 13,884 Ha based on No. HGU 1 covering 1,360 Ha, No. HGU 2 covering an area of 6,437 Ha and No. HGU 16 covering an area of 6,087 Ha. Besides that, PT Gandaerah Hendana will collaborate with the planting of oil palm covering an area of 5,500 Ha with a Cooperative Village Usaha Damai located in Pangkalan Kuras District, Pelalawan Regency, Riau Province. For a total plant capacity of 60 tons FFB / hour.
- Environmental Management Document 503 Ha Oil Palm Plantation Activities PT Gandaerah Hendana Division XV Redang Seko Village, Lirik District, Indragiri Hulu Regency in 2015, has been ratified by Decree of the Head of the Environmental Agency of Indragiri Hulu Regency No. 08 of 2015 dated March 9, 2015.
- Environmental Management Document (DPLH) Conversion Activities for Rubber to Palm Oil Plantations covering 689.56 Ha in Kerumutan District and Lyrics Sub district (HGU No.1 & No.2) and Core Oil Processing (Kernel Oil) with a capacity of 3.5 Ton / Hour PT Gandaerah Hendana in 2014. Scope of study includes Pelalawan Regency and in Indragiri Hulu Regency and acquire endorsement accordance decree of the head integrated licensing office Province Riau Number Kpts.26/DPMPSTP/2019 date December 2019.
- Decree of Pelalawan Regent No KPTS.503/BPMP2T-PLY/42/2016 on 23 December 2016 and valid for 5 years regarding POME for land application permit.

### **Compliance with Manpower Regulation**

Certification unit in general has complied with manpower regulation, including:

- Reporting of Employment Report for PT Gandaerah Hendana (Plantation) in 2021 via online on 07 October 2021 and must be reporting back on 07 October 2022.
- Reporting of Employment Report for PT Gandaerah Hendana (Mill) in 2022 via online on 07 April 2022 and must be reporting back on 07 April 2023.
- The implementation of the minimum wage in 2022 is in accordance with the Minimum Wage Decree of the City or Regency in Riau Province established by the Governor of Riau in 30 November 2021.



- Payment of overtime wages to workers in accordance with Government Regulation No. 36 in 2021..
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.

Related to forest area issue, the company has received a notification letter from the Director General of Forestry Planning and Environmental Management of the Ministry of Environment and Forestry Indonesia on January 11, 2022. In that letter the company was told to contact the Sub-directorate of Changes in Designation and Function of Forest Areas. The company has responded to the letter on January 17, 2022 along with an explanation and clarification regarding the forest area and currently is still waiting for a response from the agency.

### 2.1.2

The certification unit has SOP to comply with regulations & other requirements (No. : 002 – SOP - ISP, dated 2 January, 2014). Procedure of legal requirement which presented in document, the procedure explaining personnel (HSE Officer) who have responsibility to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. In general, the list will be updated every year but can also be revised if there are new regulations that have been applied. List of rules such as related a labor, legality, environment and OHS. The document describes the company's compliance with the regulations in the Republic of Indonesia, for example the fulfilment of the latest regulations such as the Decree of the Governor of Riau regarding the Provincial Minimum Wage. The company has made the latest update in March 2022, the document contains the latest regulations, for example related to the minimum wage in Indonesia Riau Governor Decree No. Kpts.1272/Xi/2021 dated November 30, 2021 regarding District/City Minimum Wages in Riau Province in 2022.

In order to ensure compliance with regulations, the company has also carried out internal audit activities carried out on October 11, 2021. This activity also ensures compliance with regulations for contractors and other third parties who cooperate with the company.

### 2.1.3

The company has a map that showing the location of the boundary poles in each estate. The company has also monitored HGU boundary pole in May 2022 by showing the results of monitoring record "*Formulir Monitoring Patok Mei 2022*", in accordance with the Boundary Marking Procedure (Document No.: 040-SOP-AGR). The procedure aims to:

- To ensure the actual boundaries of the estate per land cover.
- To mark all estate block boundaries.
- To ensure that all HGU stakes are monitored and maintained.

The procedures include stating that the GIS Team ensures and coordinates with the head unit so that the position and number of the stake are in accordance with the Land Use Title / and Building Right map. From the monitoring results, it is known that all boundary markers are in good condition and well maintained. In addition, it is also stated that the stakes care is carried out at least 1 x 4 months. The results of field observations on the boundary pole for example No. 28, No. 29, and 116 are found and that the condition of the boundary poles is well maintained.

	<b>Status: Comply</b>	
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## 2.2

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

### 2.2.1

In monitoring the use of third parties (contractors, FFB suppliers and transporters) for plantation and mill activities, the certification unit has well documented the list of third parties, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has 17 third parties (6 contractors, 3 FFB suppliers and 8 transporters CPO/PK).

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

- Work Agreement Letter No. 037/SPK/RPL/KBN 1-GH/PT.AS/VII/2021 dated 12 July 2021 between PT Gandaerah Hendana and PT Aneka Sumatrindo for replanting activity in the company. The agreement explains the types of

employment, contract value, terms of employment, period of time and others. The company always conveys the company's Code of Ethics to the contractor.

- Security Service Agreement Letter No. 31/PSN/IV/2021 dated 07 March 2021 between PT Gandaerah Hendana and PT Pandawa Satria Nusantara for security services in the company. The agreement explains the types of employment, contract value, terms of employment, period of time and others. The company always conveys the company's Code of Ethics to the contractor.

At the time the audit was carried out, certification unit third parties list document shown was in accordance with the actual, such as the contact number of each stakeholder contacted by the auditor as stated in the list. The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

### **2.2.2**

In each work agreement between the certification unit and the third parties, there are several separate clauses related to fulfilling legal obligations in force in Indonesia as one of the obligations that must be fulfilled by the third parties. Some of these obligations are related to:

- Compliance with regulations and ethical codes that apply in the company
- Compliance with licensing from the competent authority in accordance with applicable laws and regulations, as well as guarantees that there will be no child labor, forced labor or the results of human trafficking.
- Compliance with labor regulations including providing health insurance, work safety insurance and/or *BPJS* to each employee.
- Concerning occupational safety and health (OHS) including the obligation to use PPE
- Regarding the obligation to preserve the environment

To ensure compliance above with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work. The results interviews with contractor revealed that workers had received wages accordance with the minimum wage, were registered in the *BPJS* program, have a legality document, and the worker have been given the standard PPE. This result is in line with the results of the document review which proves that the wages of contractor workers are above the minimum wage, fulfilling tax payments, *BPJS*, standard PPE and other requirements. For example, fulfillment includes:

- Contractor evaluation of PT Aneka Sumatrindo on June 1, 2022 with as many as 8 assessment criteria ranging from quality of work, fulfillment of employment, environmental awareness, ability to zero accidents, compliance with the use of PPE and others. From the results of the evaluation, an "A" assessment was obtained with a fulfillment percentage of 98.75%.
- Contractor evaluation of PT Pandawa Satria Nusantara on June 1, 2022 with as many as 8 assessment criteria ranging from quality of work, fulfillment of employment, environmental awareness, ability to zero accidents, compliance with the use of PPE and others. From the results of the evaluation, an "A" assessment was obtained with a fulfillment percentage of 95.50%.

Of all the regulations mentioned above, PT Aneka Sumatrindo and PT Pandawa Satria Nusantara have complied with all of these regulations which were checked on 01 June 2022. The certification unit has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations and are shown by the relevant third party.

In the previous assessment (ASA-2) there was OFI related to contractor workers' health insurance for road watering activities. At the time the ASA-3 assessment was carried out, there were no contractors collaborating in road watering activities at PT GH (last contract at the end of 2021) and currently the road watering activities have been carried out by PT GH from each estate. However, to prove that all contractor workers have been registered in the *BPJS* program (especially for health insurance), the company has shown evidence that as many as 17 third parties working with the company have fulfilled this. One of them is the fulfillment of labor obligations (*BPJS* is one part of it) which is one of the evaluations from the company to its contractors, for example the evaluation of PT Aneka Sumatrindo and PT Pandawa Satria Nusantara have complied with all of these regulations which were checked on 01 June 2022 .

### **2.2.3**

In each work agreement between the certification unit and the contractor, there are clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to disallowing child, forced and trafficked labor to be employed by the third party (contractors), and where young workers are employed, the contracts include a clause for their protection. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results of the interview with the contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in line with the results of document verification to contractors (PT Aneka Sumatrindo and PT Pandawa Satria Nusantara) stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

The certification unit has proven that all contracts have clauses disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection.

**Status: Comply**
**2.3**
**All FFB supplies from outside of the unit of certification are from legal sources.**
**2.3.1**

Gandaerah Hendana Mill has recorded the source of its FFB, that were from direct suppliers, here's the detail:

Supplier	Address	Coordinate	Legal Status
Danny Tjahyadi	Ukui II, Pelalawan Regency	S 0°10'01.998" / E 102°11'28.207"	SHM

The direct FFB suppliers are farmers who are around the company's operational area. The company already has complete information regarding the direct FFB suppliers, ranging from land ownership status, address and also geolocation.

**2.3.2**

From the recorded data on FFB receipts for the 2021/2022 period, it is known that the company received FFB from indirect suppliers (collectors), for example CV Hasrat Sejahtera and CV Sawit Alam Permai. The company is able to show location and land ownership data for FFB origins that are received by each of these collection agents. The document also explains the details of the number of farmers who send their FFB to the agent, for example there are 113 farmers (±1,000 ha) who supply to CV Hasrat Sejahtera, which is in accordance with the amount of FFB sent through the agent. Here are some examples:

Collector	Smallholder Name	Land Rights	Location	Coordinate Location
CV Hasrat Sejahtera	Asril	SHM	Ukui II Village	Latitude -0.146631 Longitude 102.181862
	Nasib	SHM	Ukui II Village	Latitude -0.136479 Longitude 102.176392
CV Sawit Alam Permai	Ricky Setiawan	SHM	Kempas Jaya Village	Latitude -0.51857 Longitude 102.800384
	Misnan	SHM	Kempas Jaya Village	Latitude -0.540444 Longitude 102.803925

**Status: Comply**
**PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**
**3.1**
**There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.**

**3.1.1**

The company shows a record of long-term planning in the PT Gandaerah Hendana Long-Term Plan document for the 2022-2026 period which was approved by the Senior Manager in February 2022. The document contains plantation business information including projected FFB, CPO, Kernel Oil, CPO and Kernel extraction projections, throughput and replanting.

	2022	2023	2024	2025	2026
Production (ton)	194,836	178,212	174,201	165,402	160,353
CPO (ton)	46,823	45,074	45,322	43,562	45,179
OER (%)	19.5	19.4	19.4	19.3	19.0
PK (ton)	11,992	11,611	11,710	11,270	11,768
KER (%)	5.0	5.0	5.0	5.0	5.00
Throughput (Ton/Hour)	55	56	57	58	59
Replanting (Ha)	821.13	858.54	847.43	817.20	821.70

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

**3.1.2**

The Company have replanting plan for PT Gandaerah Hendana which is described in the following table:

Estate	Program <i>Replanting</i> (Ha)						
	2020	2021	2022	2023	2024	2025	2026
1	152.25	448.19	525.21	151.78	-	-	188.32
2	-	338.00	295.92	291.91	847.43	434.49	381.37
3	-	-	-	414.85	-	382.71	252.01
Total	152.25	786.19	821.13	858.54	847.43	817.20	821.70

The company has a monitoring plan and realization of replanting activities every year, from the document it can be seen the area, Crop standard per Hectare (SPH) and total crops from the plan and realization of replanting from 2018 - 2021, for 2022 onwards only the plan is recorded, while the realization will be inputted after implementation replanting has been completed in accordance with the planned area.

Estates	Total Crops	SPH	2018 (Ha)		2019 (Ha)		2020 (Ha)		2021 (Ha)	
			Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
1	354,231	133	-	-	-	-	152,25	152,25	448,19	448,19
2	530,763	138	186,45	186,45	263,27	263,27	-	-	338,00	338,00

Based on the table above, knowing that the company annual replanting programmed projected for a minimum of five years with yearly review, is available.

**3.1.3**

The company shows a record of the implementation of management reviews to conduct periodic evaluations contained in the Monthly Meeting Report document for certification and operations which were approved on 18 May 2022 by the Chief Operational Officer. The Monthly Meeting Report has discussed including the achievement of FFB production, improving FFB quality, plant maintenance, water management, pest control, prevention of work accidents and mill maintenance.

**Status: Comply**
**3.2**

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

**3.2.1**

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

- Record of the implementation of management reviews to conduct periodic evaluations contained in the Monthly Meeting Report document for certification and operations which were approved on 18 May 2022 by the Chief Operational Officer. The Monthly Meeting Report has discussed including the achievement of FFB production, improving FFB quality, plant maintenance, water management, pest control, prevention of work accidents, and mill maintenance.
- The recording of the RSPO and ISPO internal audit reports of PT Gandaerah Hendana which was carried out on 21 – 23 April 2022 with the results of 11 non-conformances in the ISPO internal audit and 12 non-conformances in the RSPO internal audit. Then also shown the document evidence of improvement against the non-conformances.
- Operational Internal Audit Report No.02/III/EST-GH/2022 February 2022, which discusses the findings, impacts, recommendations and Estate Management responses.

Continuous business improvement in BMP aspects for example:

- Control of *Oryctes rhinoceros* in the TBM area, block H23 Division 5 and block I15 Division 7 using trap nets installed around the block as high as  $\pm 3$  M.
- Mechanical fertilization using an *emdek* fertilizer spreader, which speeds up fertilization activities and saves on the use of fertilizer workers.
- Mechanization in the transportation of FFB using a grabber when transporting FFB from the *TPH*, and placing it in a truck bin.

In general, the implementation of continuous improvement is carried out by implementing improvements based on the findings of internal and external audits based on the direction of top management.

### 3.2.2

The company has shown the auditor regarding the RSPO metric template Version 2.1 that has been filled in according to the facts and data in the company's record documents, such as the number of workers, the area of production to the record of work accidents. Based on team auditor's review, the information (12-month period counting up to two months before audit month) has been matched with others document, such as supply chain record, demographic workers, etc.

**Status: Comply**

## 3.3

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

### 3.3.1

The company shows 121 items of SOP master list documents, including 42 items of K3 SOP, 45 items of Agronomy SOP, 2 items of CSR SOP, 5 items of Legal SOP, 10 items of HRD SOP, 17 items of Mill SOP. Examples of SOP Agronomy, namely: SOP *survey kesesuaian lahan* (001-SOP-AGR), SOP *pembibitan – persiapan dan pemilihan lokasi* (002-SOP-AGR), SOP *pembibitan – pemesanan kecambah* (003-SOP-AGR), SOP *pembukaan lahan dan tanam ulang* (015-SOP-AGR), SOP *penanaman kacang* (017-SOP-AGR), SOP *konservasi tanah dan air* (018-SOP-AGR), SOP *pengelolaan air* (019-SOP-AGR), SOP *pengelolaan air tanggul* (020-SOP-AGR), SOP *pengendalian gulma TBM* (021-SOP-AGR), SOP *pengendalian gulma TM* (022-SOP-AGR), SOP *hama dan penyakit* (023-SOP-AGR), SOP *pengendalian secara biologi* (024-SOP-AGR), SOP *pengelolaan pestisida* (025-SOP-AGR), SOP *panen* (033-SOP-AGR), SOP *pengelolaan lahan gambut* (041-SOP-AGR). Examples of SOP Palm Oil Mill, namely: SOP *penerimaan TBS* (001-SOP-POM), SOP *penetapan harga TBS* (002-SOP-POM), SOP *perebusan* (003-SOP-POM), SOP *pemipilan* (004-SOP-POM), SOP *pemurnian CPO* (006-SOP-POM), SOP *pengukuran kualitas CPO* (009-SOP-POM), SOP *pengukuran kualitas kernel* (010-SOP-POM), etc.

Based on observations and interviews with workers (spray, harvesting, and fertilizing), it was concluded that workers understood their work procedures well.

Based on observations and interviews with 1 operator in the engine room and 1 operator at the sterilizer station, it was concluded that the workers understood and were able to describe their work SOPs well.

### 3.3.2



The company has a system that ensures consistent implementation of SOPs, such as Work Quality Checks or Inspections by Operational Internal Audits (Plantations and Mills), ISPO, and RSPO Internal Audit which checks whether company procedures have been carried out by company units as well as Financial Audits conducted by the company, external parties to ensure the use or costs used are in accordance with the rules set by the company. Daily internal supervision is carried out by supervisory levels starting from the Foreman, Divisional Assistant, and Assistant Head, to the Estate Manager. Operational audits are conducted once a month, the operational audit evaluates the operational and administrative implementation of plantations and mills. Meanwhile, an internal RSPO audit is conducted every 6 months to evaluate the implementation of sustainability procedures in plantations and mills. Furthermore, management representatives (assistant, manager, and related superiors) periodically visit the inspectorate to control the implementation of procedures. All operational activities of the company are recorded in the form of Monthly Reports for plantations and mills. The operational activity report is a recap of daily activities. This report is a routine report prepared by the plantation and mill management units and submitted to top management Companies.

### 3.3.3

The company shows a record of mechanisms to check for consistent implementation of procedures, for example:

- The recording of the RSPO and ISPO internal audit reports of PT Gandaerah Hendana which was carried out on 21 – 23 April 2022 with the results of 11 non-conformances in the ISPO internal audit and 12 non-conformances in the RSPO internal audit. Then also shown the document evidence of improvement against the non-conformances.
- Operational Internal Audit Report No.02/II/EST-GH/2022 February 2022, which discusses the findings, impacts, recommendations and Estate Management responses.
- Socialization of several types of Work SOPs to related employees, such as socialization of OHS and Environmental SOPs on September 6, 2020, socialization of the use and maintenance of PPE in May 2022, and socialization of first aid kit in May 2022.

Based on the description above, it is explained that the company has a system that ensures the consistency of SOP implementation and follow-up monitoring is preserved and available.

<b>Status: Comply</b>
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### 3.4

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

#### 3.4.1

##### **Environmental document.**

EIA document of Oil Palm and Rubber Plantation and Palm Oil Mill of PT. GANDAERAH HENDANA has obtained approval from the Secretary General / Chair of the AMDAL Commission at the Ministry of Forestry and Plantation Center No. 636 / Menhut-II / 2001 dated May 1, 2001. Scope of AMDAL studies covering the area of PT Gandaerah Hendana's plantation 13,884 Ha based on No. HGU 1 covering 1,360 Ha, No. HGU 2 covering an area of 6,437 Ha and No. HGU 16 covering an area of 6,087 Ha. Besides that, PT Gandaerah Hendana will collaborate with the planting of oil palm covering an area of 5,500 Ha with a Cooperative Village Usaha Damai located in Pangkalan Kuras District, Pelalawan Regency, Riau Province. For a total plant capacity of 60 tons FFB / hour.

Environmental Management Document 503 Ha Oil Palm Plantation Activities PT Gandaerah Hendana Division XV Redang Seko Village, Lirik District, Indragiri Hulu Regency in 2015, has been ratified by Decree of the Head of the Environmental Agency of Indragiri Hulu Regency No. 08 of 2015 dated March 9, 2015.

Environmental Management Document (DPLH) Conversion Activities for Rubber to Palm Oil Plantations covering 689.56 Ha in Kerumutan District and Lyrics Sub district (HGU No.1 & No.2) and Core Oil Processing (Kernel Oil) with a capacity of 3.5 Ton / Hour PT Gandaerah Hendana in 2014. Scope of study includes Pelalawan Regency and in Indragiri Hulu Regency.

The environmental document (DPLH) for the rubber to oil palm plantation conversion activities covering 689.56 ha and

Kernel Oil (PKO) plant with a capacity of 3.5 tons/hour by PT Gandaerah Hendana, acquire endorsement accordance decree of the head integrated licensing office Province Riau Number Kpts.26/DPMTSP/2019 date December 2019.

**Social Impact Assessment document.**

The Social impact assessment conducted PT. Sonokeling Akreditas Nusantara in September 2017. Results of social impact assessment presented in social impact assessment report, describing the social issues, negative and positive impacts, scope of assessment, assessment methods. The results of these studies have included all the potential impact factors such as access, the use of rights, economic livelihood, working conditions, culture and religion as well as health and education.

SIA appendix on year 2017 describes the evidence of participatory activities that have been conducted, i.e register of attendance, photos, maps and a list of participants during the assessment including from all the surrounding villagers and employee representatives. This is consistent with the results of interviews with local people from Village of Banjar Balam, Village of Redang Seko (Sub district of Lirik), Village of Ukui 2 (Sub district of Ukui), Village of Kerumutan (Sub district of Kerumutan) and internal stakeholders when public consultation. Regarding consultation with stakeholders, there are no issues that need to be verified further, all social impacts have been identified.

**3.4.2****Environmental Impact Assessment**

Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (RKL-RPL) report for PT Gandaerah Hendana. 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 AMDAL Documents (KA, ANDAL, RKL and RPL) include the new environmental documents.

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 base on document verification semester 2 the year 2020 no negative effect arising from the monitoring result. Public consultation with the Environmental agency of Pelalawan indicates that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

Based on verification, RKL-RPL report semester 2 of 2021 has already contained adequate environmental management and monitoring component such as noise, air quality, soil fertility, land fire, hazardous & domestic waste, aquatic biota, groundwater levels, water quality, vegetation, wildlife, plant pests and diseases, complaints and public unrest, acceptance of labor and community income, and public health problems.

As explained in the results of this assessment, the company also has an environmental impact assessment document as well as a management and monitoring plan, evidence of environmental management and monitoring is explained in the RKL-RPL report for semester 2 of 2021, significant impacts that are managed and monitored is still the same with previous assessment. While the development of management and monitoring plans for the impact of complaints and public unrest, acceptance of labor and community income, and public health problems, methods for monitoring carried out are interviews and questionnaires to affected communities.

**Social Impact Assessment**

The plan of social monitoring and management included in social impact assessment conducted in 2017. The results of these studies have included all the potential impact factors such as access, the use of rights, economic livelihood, working conditions, culture, and religion as well as health and education.

Company shown the Management and Monitoring SIA Implementation of 2021 on Social Impact Report for period January to December year 2021. Management and monitoring of SIA in 2021 has been in accordance with its program including 8 components of natural capital, 3 components of human capital, 3 components of financial capital, 3 components of social capital, 1 component of physical capital. SIA program evaluation in 2021 document that explains the evaluation of each SIA management activity. For example, the management of external social impacts, namely for



natural resources, human resources, economic resources, physical resources, social and cultural resources, while for management social internal includes recruitment, OHS, recruitment, health, OHS guidelines and OHS implementation, PPE, payroll, housing complex, transportation, work equipment, education, worker competence, discrimination and worker unions. This review has been involving external parties including representatives of surrounding villages (e.g., Redang Seko, Banjar Balam, Ukui Satu, Ukui Dua) as well as internal stakeholder of PT Gandaerah Hendana (e.g. Gender Committee, labor union, etc.). Management and monitoring SIA of 2021 evaluation has been used for developing management and monitoring of SIA program of 2022. Components managed and monitored consist of 2 components of natural capital, 1 components of human capital, 5 components of financial capital, 2 components of physical capital.

Based on interview with Ukui Head village known that SIA, as well as management and monitoring plan has been conducted in participatory manner with all affected village with questionnaire method. This has been in accordance with result of SIA questionnaire documents showed by the company which has been held in 29 November 2021. The participant for SIA adequate compares their operational activities because this activity has been attended by representatives from affected parties such as village representatives as well as internal company employees, namely Gender Committee, Union Representatives, residents in the employee housing area, and villages around the plantations and mills such as Village of Ukui, Ukui Dua, Banjar Balam, Rendang Seko, etc.

Results of field visits and interviews with residents of housing complex in POM and estates, there are livestock (such as chickens, cows, and goats) roaming in the company. Company has presented the following documents:

- PT Gandaerah Hendana's Social Impact Management Program (SIA) 2022, as well as the 2021 Social Impact Management Program and Evaluation (SIA) which includes the management and monitoring of external and internal impacts, including the components of natural, human, economic, social and cultural resources, physical, recruitment, OHS, social insurance, payroll, housing, vehicles, work equipment, education, etc. However, there has been no discussion regarding the presence of livestock in the company.
- Social Aspect Monitoring Questionnaire to representatives of surrounding communities and workers in November 2021.
- Letter No. 145/LGL/GH-PKU/IV/2020 dated April 14, 2020 regarding the company's appeal to control livestock at PT Gandaerah Hendana.

Thus, companies are encouraged to consider social impact management and monitoring programs from the presence of livestock in and around the company into social impact management and monitoring programs. **(OFI)**

### 3.4.3

Company has shown the Management and Monitoring (*RKL-RPL*) Report for Second Semester of 2021 which have been delivered to Environmental Agency of Pelalawan Regency and Forestry and Environmental Agency of Riau Province on 25 February 2022, and Environment Ministry through environmental electronic reporting system (SIMPEL) with ID number of 1645417866-1660. Based on the document review, Management and Monitoring (*RKL-RPL*) Report of Second Semester of 2021 has contained result of several impact management and monitoring such as ambient air quality, noise level and wastewater quality.

Company has shown the Recapitulation of Socialization/Consultation Result document regarding action plan and monitoring of social and environmental impacts in 2021 which were carried out on November 2021 and involved representatives of surrounding villages (e.g. Redang Seko, Banjar Balam, Ukui Satu, Ukui Dua) as well as internal stakeholder of PT Gandaerah Hendana (e.g. Gender Committee, labor union, etc.).

	<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 Labor Agreement 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 company 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 Labor Agreement, the certification unit has other procedures in the form of Policies, SOP, 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 Regulations in 19 March 2022 which was attended by all workers on muster morning. For example, some procedures that are owned by the company include:

- SOP Recruitment (001-SOP-HRD) concerning Employee Recruitment
- Manpower requirement plan form (FRM-HRD-P 001/01),
- Employment request form (FRM-HRD-P 001/02)
- Interview result form (FRM-HRD-P 001/03)
- New employee orientation attendance list form (FRM-HRD-P 001/04)
- New employee handover form (FRM-HRD-P 001/05)
- New employee recruitment process reporting form (FRM-HRD-P 001/06)

The certification unit did not have workers with contract status for daily worker (*BHL*), the current employee status is contract workers (*PKWT*) for upkeep work (non-permanent job such as immature upkeep and loose fruit pickers), permanent workers and Staff. All the rights for each employment status has been distinguished. Based on the results of interviews with workers in the estate and mill units and representatives of the worker union, it is known that the workers have understood the recruitment, selection, promotion and other employment procedures contained in the Collective Labour Agreement and in other procedures.

From this explanation it can be concluded that the certification unit has procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented / available to workers and their representatives in accordance with applicable laws and regulations.

### 3.5.2

The certification unit always documented all labor procedures that have been carried out properly such as recruitment, promotion, performance assessment, pension, and others. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Letter of Work Agreement for Specific Time No. 2170/HRD/GH-KBN/V/2022 dated 18 May 2022 between PT Gandaerah Hendana and a worker with the initials EHU who is accepted to work as a loose-leaf cultivator and the term of the agreement is for three (3) months (from 21 May 2022 until 20 August 2022). The work agreement explains the duties, placement, remuneration, working time, *BPJS*, health checks and so on.
- Letter of Work Agreement for Specific Time No. 2128/HRD/GH-KBN/V/2022 dated 17 May 2022 between PT Gandaerah Hendana and a worker with the initials HAQ who is accepted to work as a loose-leaf kutib worker and the term of the agreement is for three (3) months (from 21 May 2022 until 20 August 2022). The work agreement explains the duties, placement, remuneration, working time, *BPJS*, health checks and so on.
- Indefinite Time Employment Agreement No. 243/HRD/GH-KBN/I/2022 dated 12 January 2022 between IPH and PT Gandaerah Hendana as harvest workers since 13 January 2022. The agreement states that the workers will be evaluated for 3 months from 13 January 2022 until April 12, 2022 and if the results of the assessment during the probationary period are good, the employee will continue to work as a permanent employee of the company. The work agreement also explains other things such as, probationary period, placement, rights, obligations, working hours, work procedures and so on. Other acceptance documents have been shown such as job application documents (07 January 2022), identity cards, family cards, medical examination results, and others. The results of the performance appraisal during the probationary period, workers get an "A" score and are eligible to continue

working at the company. The company can also show the Decree No. 2171/SK/GH-KBN/V/2022 dated May 21, 2022 concerning the Appointment of Permanent Employees in which workers obtain NIK 2201009 and have become permanent workers (harvesters) in Division IV.

- Indefinite Time Employment Agreement No. 1547/HRD/GH-KBN/I/2022 dated January 22, 2022 between ASH and PT Gandaerah Hendana as harvest workers since January 24, 2022. The agreement states that the workers will be evaluated for 3 months from January 24, 2022 until April 21, 2022 and if the results of the assessment during the probationary period are good, the employee will continue to work as a permanent employee of the company. The work agreement also explains other things such as, probationary period, placement, rights, obligations, working hours, work procedures and so on. Other acceptance documents have been shown such as job application documents (15 January 2022), identity cards, family cards, medical examination results, and others. The results of the performance appraisal during the probationary period, workers get a "B" score and are eligible to continue working at the company. The company can also show the Decree No. 2176/SK/GH-KBN/V/2022 dated May 21, 2022 concerning the Appointment of Permanent Employees in which the worker obtains NIK 2201018 and has become a permanent worker (harvester) in Division VII.
- There is a pension document for workers with initial SYT retired on 27 May 2022 according to Decree on 18 May 2022. In addition to the decree, there are also other supporting documents such as calculation of pension payments, labor documents of workers since they first worked, etc. All procedures and documents shown are in accordance with existing procedures and in accordance with applicable laws.

The results of interviews with workers (harvesting, spraying and mill operators) in note that the certification unit has carried out labor procedures starting from recruitment, selection, acceptance, promotion and retirement procedures in accordance with existing regulations, as well as all the application is assessed in accordance with the abilities and competencies of the employees. For example, workers who initially entered were selected before being accepted, workers who received promotion / class promotion had received an assessment from their superiors and workers who retired received all their rights as retirees. During 2021 until May 2022 there were no labor issues that occurred at certification unit, this was strengthened by the results of consultations with the workers union, the Manpower and Transmigration Agency of Pelalawan Regency which stated that the application of existing labor procedures certification unit is in accordance with the regulations and since 2021 until now there have been no labor issues.

Based on the description above, it can be concluded that the certification unit already has labor procedures implemented and records are maintained for each worker.

	<b>Status: Comply</b>
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### 3.6

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

##### 3.6.1

The company shows the results of risk identification for the period 2022 made by the Assistant Manager of SPO, the document, among others, describes all activities in Mill and estates, sub activities in Mill and Estate, types of sub activities in Mill and Estate, identification of hazards (potential, impact), current control, initial risk analysis (likelihood, severity, risk), risk control plan, final risk analysis (likelihood, severity, risk), action plan.

Examples of HIRAC include harvesting activities with FFB cutting sub-activities, potentially being injured by work tools that have an impact on serious injuries, current controls in the form of appeals, control plans by procuring first aid kits and using shoes, action plans carried out include providing PPE (shoes), gloves, helmets, goggles, masks), make OHS signs and provide first aid kits. HIRAC was socialized to all workers on March 21, 2022 in the form of posting warnings, morning briefing, and other socializations. To prevent work accidents when traveling from settlements in the Village to the workplace/block as discussed in the OHS committee meeting in April 2022, companies are encouraged to ensure HIRAC which includes workers who go to and return through heavy traffic roads. **OFI**

The results of observations at the Mill show that the Mill area has been equipped with evacuation routes and installation sign board of OHS, and workers have understood safe work practices by using appropriate PPE.

Based on the description above, it shows that the company's all operational activities are assessed for risk to identify

OHS problems, and mitigation plans and procedures are documented and implemented.

### 3.6.2

PT Gandaerah Hendana (Plantation and Mill) has a OHS program for the 2021 period such as monthly OHS committee meetings, regular OHS committee reporting to the Manpower Agency, safety inspections, periodic health checks, recording of work accidents, first aid checks, PPE checks, OHS trainings, simulations 1 once a year such as emergency response simulations and socializations on OHS every 1 year such as socialization of SOPs, handling of hazardous waste, fire risk, use of fire extinguishers, MSDS and hazardous waste symbols.

The OHS program is evaluated every month through regular OHS committee meetings, for example discussions at the OHS committee meeting in April 2022, including:

- Inspection of the first aid kit is carried out every month to ensure that the contents of the first aid box and bag are in accordance with the doctor's recommendations and to ensure the expiration date of medicines
- Inspection of Fire Extinguishers is carried out every month to anticipate early fire hazards as well as cleaning fire extinguishers and replacing damaged or empty fire extinguishers.
- Investigation of worker accidents on the highway, such as conducting socialization to workers who go to and from work through the causeway, conduct socialization to always use Indonesian National Standard helmets, install sign board of maximum speed on the road.
- OHS socialization to all workers on September 6, 2021, which aims to provide understanding to workers about the importance of recognizing the risk of hazards around the work area and the importance of using PPE.

Based on the description above, it shows that the company monitors the effectiveness of the OHS plan to handle OHS risks for persons.

**Status: Comply**

### 3.7

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

#### 3.7.1 & 3.7.2

Certification unit has training identification and program for workers for period of 2021/2022 for operational training, OHS training, and policy socialization. The aspect in the training program are such as environment, labor best management practice aspect, and others. Some of training program, namely:

- Training for manuring, harvesting and spraying activity
- Socialization of company's policy such as human right, no child worker, and sustainability policy
- First aid training.
- Training for Environment and hazardous waste handling.
- Simulation of emergency responses and firefighting management

In addition, the certification unit has an identification and training program for relevant stakeholders (contractors, local communities and smallholders). These programs include the following:

- Socialization of company policies such as code of conduct, human rights, no child worker and others.
- Training for best practices to smallholders.
- Training for OHS and PPE.

The certification unit has properly documented every training activity and socialization that has been carried out to workers and related stakeholders. The following is an example of training/socialization documentation that has been carried out during 2021/2022, namely:

- Collective Labor Agreement socialization for the period 2022-2024 for all workers carried out from March 19, 2022 to April 06, 2022 for as many as 15 Divisions at PT Gandaerah Hendana.
- Firefighting prevention training using APAR on October 25, 2021, which was attended by 61 participants.
- Socialization of the understanding of the basics of OHS on 11 and 18 November 2021 which was attended by as many as 87 participants.
- Spraying and OHS training on November 23, 2021 which was attended by as many as 86 participants.

- First aid training on January 27, 2022 which was attended by 43 participants.
- Socialization of company policies on November 15, 2021 to contractor workers and contractors at the Mill.
- Socialization of company policies on November 10, 2021 to FFB suppliers.

Based on field observations and interviews with workers (harvesters, sprayers and mill operators), it is known that workers have understood their work in accordance with the procedures set by the company and their understanding of the duties and responsibilities for each job has been carried out quite well, because the certification unit has routinely conducted training every year according to the type of work each. Meanwhile, the results of interviews with representatives of contractors, contractor workers in field and the surrounding community revealed that they had received routine socialization related to company policies, code of conduct, PPE, communication procedures and complaints were routinely provided by the certification unit which causes stakeholders to understand the procedures and work methods that already exist in the certification unit operational area.

Based on the foregoing, it can be concluded that the certification unit has a identification and training program for all workers including stakeholders (contractors, suppliers, local communities and smallholders) related to the RSPO P&C and all of them have been well documented.

### 3.7.3

UoC showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, and related stakeholders. The training of SCCS had been conducted on 25 May March 2022 for weighbridge operator, laboratory, and admin. Based on the interview with all workers involved in supply chain operations, such as security (for FFB receiving verification), weighbridge operator, and the PIC related to supply chain, they have been understood the supply chain mechanism, and the IP record has conducted and monitored quite well.

**Status: Comply**

## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1; 3.8.2

Gandaerah Hendana Mill was used RSPO supply chain of Mass Balance module because mill still received FFB from the out growers and collectors which has not been certified with RSPO.

#### 3.8.3

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

	Last Year Projected Certified Volume (MT)	Actual production in last 12 months (June 21 – May 22 (MT)	Estimation for the next 12 months
FFB Processed	187,000.00	167,668.91	172,200.00
CPO Production	37,400.00	32,848.30	34,440.00
Palm Kernel (PK) Production	9,350.00	7,719.10	8,610.00

#### 3.8.4

The Mill have been registered in RSPO Palm Trace as Gandaerah Hendana Palm Oil Mill with License ID CB86129, and Member ID RSPO\_PO1000004138

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. Related to CSPK transaction, auditee informs that there's CSPK sold as physical as amount as 5,595.68 MT and CSPO sold as physical as amount as 22,227.23 MT.

The auditors verify related to transactions on the Palmtrace platform with actual sales of certified products, for example in 1 February 2022 where there was a sale of 28,240 kg ton of CSPO to PT Sari Dumai Sejati, and this was in



accordance with the transactions made at RSPO Palmtrace.

### 3.8.5

Gandaerah Mill had procedure for SCCS with MB or IP model in SOP supply chain procedure no. 016-SOP-POM rev 04 dated 1 July 2020 that has been authorized by CFO and COO of PT Gandaerah Hendana. The procedure rules all element related SCC aspect for example:

- Inform flow chart of mill business process starting from FFB acceptance to CPO dispatch, assigned PIC, internal audit, document retention period, certified CPO selling, logo and trademark use, business communication, product complaint mechanism and management review.
- Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements
- procedures for receiving and processing certified and non- certified FFBs.

The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

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

### 3.8.6

The Procedure to conduct annual internal audit are describe in SOP for internal audit No. 036 – SOP - ISP issued on 10 April 2021 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit is done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. Internal audit was held on 11 to 12 October 2021 for all business unit (Estate and Mill) and there is no non-conformity related to supply chain indicators.

A management review was also carried out at the end of 2021, where the management review also discussed related to the implementation of the existing supply chain in the company, starting from ensuring records, collecting information on FFB suppliers, training the people in charge and also the process of selling certified products.

### 3.8.7

Gandaerah Hendana POM received FFB from certified and uncertified sources, here's the detail:

	Certified FFB (Kg)	Uncertified FFB (Kg)
Period June 21 to May 22	167,668.91	41,338.20

The auditor has verified FFB received records for the last 12 months, the total FFB certified received was 169,963.45 MT.

Based on field observations as well as documentation, the management explained that for areas managed by the company but still not included in the scope (non-HGU), it has been separated in a system where the blocks are considered as non-certified sources, for example block D63, D62, D61 (Division 7) and D54, D55 (Division 4). This has also been confirmed based on the explanations of the FFB carrier employees and also the weighing operator at the factory.

The company also has a mechanism or policy related to the handling of FFB and also documents/records that are not appropriate, both related to receipts and sales in SOP supply chain procedure no. 016-SOP-POM rev 04 dated 1 July 2020 that has been authorized by CFO and COO of PT Gandaerah Hendana.

The company also shows a recorded shipping announcement for CSPO sales to PT Pacific Indopalm Industries which contains complete information such as: date of shipment (21 May 2022), transaction ID (TR-f7790415-d75e), product type (Mass Balance) to member ID (RSPO\_PO1000004138).

**3.8.8**

The company shows documentation of certified products, such as sales contracts, shipping announcements, delivery orders, etc. These documents explain the name and contact person of the buyer and seller, date of delivery, product description, quality, quantity, member ID, and others. The transaction also including RSPO certificate number and stemple (RSPO module type), such as evidence of transaction record in 1 February 2022 where there was a sale of 28,240 kg ton of CSPO to PT Sari Dumai Sejati,

The company also shows examples of CSPK submissions with the following details:

- Unique Shipping Number: A12022010000185
- Delivery Order : 02/DO/PK/GH/I/2022
- Delivery Date : January 13, 2022
- Carrier Number : B 9495 QC
- Product Specifications: PK RSPO MB
- Product Quantity: 21,110 Kg
- Delivery time : 12:15 PM
- Buyer : PT Pelita Agung Agrindustri

Based on document review and interview with management representative, all certified products sold as physical.

**3.8.9, 3.8.10, 3.8.11**

The physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK, except the transportation of product to third party, which bonded by the agreement. The company has a list of contractors for transporting oil palm products from Gandaerah Hendana POM which informs the name of the contractor, owner, address, work agreement number and validity period. There are contractors / transporters such as:

- CV Mestika Jaya (No. 051/KPPCPO/MKT/GH-CV.MJ/V/2021)
- CV Mitra Sarana Sejahtera (No. 052/KPPK/MKT/GH-CV.MSS/V/2021)
- PT Wijaya Manggala Premier Lestari (No. 055/KPPCPO/MKT/GH-PT.WMPL/V/2021)

The contractors and certified holder also agreement related to transparency of contractor operational mechanism, so the certification bodies can audit the contractors.

**3.8.12**

Gandaerah Hendana has record of all CSPO and CSPK information, as well as presented in the table bellows:

**Crude Palm Oil**

Period	CPO Production (MT)		CPO Delivery (MT)			Another reduction	Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional		
Stock Opening							317.05
Jun-21	3,016.88	315.18	3,000.00	-	276.42	21.69	351.00
Jul-21	3,028.94	693.47	3,000.00	-	583.03	-	490.39
Aug-21	3,388.40	647.42	3,402.37	-	750.00	-	373.84
Sep-21	3,725.58	527.40	3,795.56	-	500.00	-	331.26
Oct-21	3,034.80	481.09	3,193.45	-	500.00	28.41	125.29



Nov-21	2,807.07	753.60	2,777.99	-	500.00	-	407.96
Dec-21	2,683.78	668.41	2,580.63	-	918.11	-	261.41
Jan-22	2,239.40	507.58	2,334.61	-	473.45	-	200.33
Feb-22	1,279.54	344.62	1,304.46	-	358.44	-	161.58
Mar-22	2,436.70	587.69	2,360.93	-	639.20	-	185.84
Apr-22	2,617.47	647.42	2,278.55	-	610.80	20.51	540.87
May-22	2,589.72	806.86	2,721.23	-	750.00	-	466.22
<b>Total</b>	<b>32,848.28</b>	<b>6980.73</b>	<b>32,749.78</b>	<b>-</b>	<b>6859.45</b>	<b>70.61</b>	

Based on record verification, there's CSPO sold as certified product on license period as amount as 32,749.8 MT.

Another product reduction was due to the CPO tank washing activity, this is evidenced by the recording of the storage tank washing event No. 2 on April 16, 2022.

#### Palm Kernel

Period	PK Production (MT)		PK Delivery (MT)			Another reduction	Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional		
Stock Opening							191.49
Jun-21	649.33	79.46	700.00	-	100.00	5.00	115.28
Jul-21	668.84	180.59	600.00	-	200.00	-	164.71
Aug-21	796.00	165.48	800.00	-	100.00	-	226.19
Sep-21	896.38	134.56	900.00	-	200.00	-	157.13
Oct-21	761.81	129.19	800.00	-	170.50	-	77.62
Nov-21	654.79	212.28	682.88	-	129.50	-	132.31
Dec-21	628.50	187.37	517.12	-	279.50	-	151.56
Jan-22	532.44	146.91	600.00	-	120.50	-	110.41
Feb-22	309.44	101.13	300.00	-	100.00	-	120.98
Mar-22	573.78	170.34	600.00	-	200.00	-	65.09
Apr-22	648.28	182.04	456.14	-	100.00	-	339.27
May-22							

	599.48	226.42	743.86	-	200.00	-	221.31
Total	<b>7,719.06</b>	<b>1,915.76</b>	<b>7,700.00</b>	<b>-</b>	<b>1,900.00</b>	<b>5.00</b>	

Based on record verification, there's CSPK sold as certified product on license period as amount as 7,700.00 MT.

Another product reduction was due to the PK destruction due to poor quality activity, this is evidenced by the recording of the record event on 30 June 2021.

### 3.8.13; 3.8.14 & 3.8.15

The mill has been defined the extraction rate dividing CPO or PK production by the total FFB process. Based on that explanation, extraction rate calculated by industry average.

### 3.8.16

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

- Member Name: Gandaerah Hendana Palm Oil Mill
- Membership No.: 1-0238-17-000-00 (S&G BIOFUEL PTE. LTD)
- Member ID: RSPO\_PO1000004138
- License ID: CB123972

Whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. Related to CSPK transaction, auditee informs that there's CSPK sold as physical as amount as 5,595.68 MT and CSPO sold as physical as amount as 22,227.23 MT.

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example, the company shows proof of CPO dispatch of 499.99 tons to PT Sari Dumai Sejati (weighbridge slip on 28, 29, 31 January 2022 and 1, 3, 5 February 2022) which was informed via RSPO palm trace on 7 February 2022 and confirmed on 15 February 2022. Likewise with CSPK sales transactions, where transportation activities are carried out on January 13, 2022, information to the palm trace system on January 14, 2022 and confirmed by the buyer on January 24, 2020 (PT Pelita Agung Agrindustri).

### 3.8.17

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

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

**Status: Comply**

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

### 4.1

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

#### 4.1.1 & 4.1.2

The company has policy on human rights authorized by company COO on 30 July 2018. The policy covering community right protection, respect to company employee human right and how to handle human right issue. The human policy has been socialized to the company for example for employee in Estate II Division XI, XII and XIV on 1 August 2018.

The contents of the policy include:

- Commitment to respect all internationally recognized human rights based on the 1945 Constitution article 18B, article 28F, article 28H (paragraphs 1,2,3 and 4), article 28I (paragraphs 2,3 and 4) and article 33.
- The company respects the rights of employees, complies with labor laws and regulations, prohibits workers under

18 years of age, follows the minimum wage in the plantation sector as a guide in setting the initial employee salary, additions, bonuses, benefits and others in a transparent manner.

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 document study on complaints and grievance document (internal and external) that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit. This policies has been socialized to surrounding community in November 2021, for examples socialization of all company policies, code of ethics, communication procedures and complaint handling on 11 November 2021 to the surrounding communities.

Based on the results of interviews with community representatives, it is known that so far from 2021 until now (May 2022) there has never been any intimidation/act of violence committed by the certification unit against workers, communities, contractors, or other parties who cooperate with the company. If there is a problem, usually the unit of certification will negotiate in a good manner and without resorting to violence. This is in line with the results of interviews with representatives of the workers union and gender committee who stated that there had never been any incidents or issues related to human rights violations that occurred in the certification unit operational areas.

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.

	<b>Status: Comply</b>
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#### **4.2**

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

##### **4.2.1**

The procedure for making reference is SOP Communication, consultation and participation with document number 004-SOP-ISP revised: 00 with effective date of January 2, 2014 which was approved by the COO (Chief Operation Officer). The procedure includes explaining the mechanism for requesting information including handling complaints, including if the resolution is not found mutually, the process for complain can be brought to the RSPO Complain System. It was also explained that the response period was 10 days. The officer responsible for responding to stakeholders is the HSE Officer together with the public relations staff and legal department staff. To ensure that every complaint submitted is well managed, including verbally submitted complaints by the workers and related stakeholders, the previously appointed officer has additional duties and responsibilities to record them in the complaint logbook. This is one of the company's strategies to ensure that all complaints can be managed properly (improvement based on the previous year's OFI record).

Based on the results of the review of the list of documents for incoming and outgoing letters in 2021, it is known that in 2021 there will be no complaint submitted by the relevant stakeholders to the certification unit. This is evidenced by the logbook which states that in 2021 (January-December) and 2022 (January-May) there has been no letter of request for grievance and complaint submitted by stakeholders during the period. The document has been accordancae, with statements from stakeholders interviewed when the audit was carried out, namely the Agencies in Pelalawan Regency, representatives of the surrounding village communities and contractors who collaborated with the certification unit stating that they had never sent a letter for complaint to certification unit.

Based on an interview with the Surrounding Village Representative, it was found that the certification unit had conducted socialization to the Village regarding the mechanism for submitting complaint to the certification unit. If there is a submitting complaint, the village will send a letter or tell the complaint to the certification unit and the response of the request will be provided by the certification unit. In accordance with this explanation, the certification unit already has a record of complaint and there is no existing complaint.

Based on this explanation, it can be concluded that the certification unit has procedures/communication systems, complaints and conflict resolutions available for all affected parties, can resolve disputes effectively, in a timely and appropriate manner, and ensure the protection of the identity (anonymity) of the complainant, human rights defenders, community representatives, whistleblowers, if requested, as long as the report is supported by sufficient preliminary evidence. This system ensures there is no risk of retaliation or intimidation and follows the RSPO policy of respect for human rights.

#### **4.2.2**

The procedure for making reference is SOP Communication, consultation and participation with document number 004-SOP-ISP revised: 00 with effective date of January 2, 2014 which was approved by the COO (Chief Operation Officer). The procedure includes explaining the mechanism for requesting information including handling complaints, including if the resolution is not found mutually, the process for complain can be brought to the RSPO Complain System. It was also explained that the response period was 10 days. The officer responsible for responding to stakeholders is the HSE Officer together with the public relations staff and legal department staff. To ensure that everyone (people who cannot read and write) can understand the existing procedures in the system implemented by the company, which is to provide flexibility for stakeholders or employees to make complaints accompanied by representatives who can read and write.

However, the results of interviews with representatives of surrounding communities, the community has known about the communication procedures and to people who served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators. In order to conduct consultation and communication with the community, a delegation is appointed with the given authority (in this case, public relation staff for internal/external parties).

Based on the explanation above, it can be concluded that the certification unit has procedures to ensure the system is understood by affected parties, including those who cannot read and write that are well documented.

#### **4.2.3 & 4.2.4**

Based on information obtained from the external complaints logbook in 2021 until May 2022 was carried out there were no complaints. As explained by the management representative, a mutually agreed system for handling complaints will be established when complaints are found. The procedure for making reference is SOP Communication, consultation and participation with document number 004-SOP-ISP revised: 00 with effective date of January 2, 2014 which was approved by the COO (Chief Operation Officer).

The procedure includes explaining the mechanism for requesting information including handling complaints. It was also explained that the response period was 10 days. The officer responsible for responding to stakeholders is the Manager / Assistant / Head of Administration / PR. Internal and external stakeholder understanding of the grievance system will be reaffirmed when the field audit activity is carried out.

In Indonesia, giving freedom to the reporting party to obtain legal and technical assistance from an independent party is allowed and there is none regulation/procedure in certification unit that forbids it. This was further strengthened by the results of interviews with surrounding village which stated that when if their residents had disputes or land claims to the certification unit, the community was given the freedom to ask for legal and technical assistance from independent parties such as lawyers. and other parties to manage this matter. This proves that the certification unit in general has carried out its procedures to give the reporting party the freedom to obtain legal and technical assistance from a third party in the event of a dispute.

Based on the explanation and description above, it can be concluded that the certification unit has a conflict resolution mechanism/procedure which includes the option to obtain legal and technical assistance from an independent party, where the reporting party has the freedom to choose a person or group who can support it and/or act as observers as well as the parties may choose the option of involving a third party mediator.

<b>Status: Comply</b>
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#### **4.3**

**The unit of certification contributes to local sustainable development as agreed by local communities.**
**4.3.1**

Contributions to community development based on the results of consultations with local communities can be demonstrated by meetings between community representatives and the company in 2021 as the basis for CSR plans for 2022.

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

**Status: Comply**
**4.4**
**Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).**
**4.4.1**

PTGH can demonstrated their legal ownership land of 14,387.00 hectares with land status changed as documents follow:

A. Forest area released

Forestry Ministry Decree Ref No. 806/Kpts-II/1993 dated on 20 November 1993 concerning to provision for some forest area released from S. Jelurung – S. Merbau Kanan and S. Merbau forest group located in Kampar District, Riau Province for 14,000 hectares to PT. Gandaerah Hendana.

B. Location permit

Land Office Head of Kampar District Decree Ref No. KPTS.04/KP/1994 dated on 16 April 1994 concerning to provision of location permit for oil palm plantation development on behalf PT. Gandaerah Hendana covering area ± 7,160 Ha located in Ukui satu Village, Ukui Dua and Pangkalan Tampoi, Pangkalan Kuras and Kuala Kampar Sub District, Kampar District, Riau, Indonesia.

Land Office Head of Indra Giri Hulu District Decree Ref No. 03 tahun 1994 dated on 5 Mei 1994 concerning to provision of location permit for oil palm plantation development on behalf PT. Gandaerah Hendana covering area ± 6,500 Ha located in Redang Seko, Pasir Penyus Sub District, Indragiri Hulu District, Riau, Indonesia.

C. Plantation business permit

Integrated License Services Head of Riau Decree Ref No. Kpts.10/BP2T-IR/II/2014 dated on 24 February 2014 concerning to provision of plantation business permit for oil palm plantation on behalf PT. Gandaerah Hendana covering area +/- 6,590 ha in Indragiri Hulu District, +/- 7,797 ha in Kampar District and Mill with 60 tonnes FFB/hour capacity.

D. Land cultivation right title (*Hak Guna Usaha/HGU*)

Currently there is a change in the extent of the scope related to the occupation area (previous assessment). The company has legally relinquished land rights in the occupied area, this can be seen from the review of the HGU document which has been revised in size in accordance with the release request that has been sent to the Land Agency of Pelalawan and Indragiri Hulu. In detail, the area of land rights owned by the company are:

- HGU No. 1 of 1997 with an area of 900.26 ha.  
There has been a change in the area of HGU (previously covering an area of 1,360 ha) in accordance with the Declaration Letter of Release of Land Rights (No.: 725/BA-HP.01-14.05/XII/2020) on December 8, 2020 which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No. 2 of 1997 with an area of 6,398.25 ha.  
There was a change in the area of HGU (previously covering an area of 6,437) in accordance with the Declaration Letter of Release of Land Rights (No.: 726/BA-HP.01-14.05/XII/2020) on December 8, 2020 which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No.16/1997 with an area of 3,295.51 ha.  
There was a change in the area of HGU (previously covering an area of 6,087) in accordance with the Declaration Letter of Release of Land Rights (No.: IP.02.01/1777-14/XII/2020) on December 8, 2020 which was

- recognized by the Head of the Land Office of Indragiri Hulu Regency.
- HGU No.14/1996 with an area of 200 ha.
  - HGU No.18/2000 with an area of 200 ha.
  - HGU No.21/2003 with an area of 103 ha

Based on the results of the review of the land rights document, the total area of the company's scope after being revised based on government approval (reduction of occupation area) is 11,097.02 ha.

Regarding the overhead power line area (0.12 ha), the company is currently still in the process of releasing land to the relevant agencies. Companies are encouraged to ensure the release process in these areas. **OFI**

#### 4.4.2

Based on latest assessment, no additions are made to the company's operations. The results of interviews with the company's public relations department revealed that there were no land compensation documents. This is because the area of PT Gandaerah Hendana is a former forest area release area which is contained in the Decree of the State Minister of Agrarian Affairs/Head of BPN No. 92/HGU/BPN/97 and 93/HGU/BPN/97 it is known that the land being applied for is the former land of part of the forest area which has been released to the state based on the Decree of 30 Nov 1993 No. 806 Kpts-II/1993 and has obtained approval for land allocation based on letter No. 525/PPD/618.

#### 4.4.3

The CH has had SOP related land identification and compensation on SOP *Ganti Rugi Lahan* (001-SOP-LGL rev 00 dated on 2 January 2014) which set land identification, calculation, and compensation for land acquisition mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

Based on the management's explanation and review of the company's deed documents, PT Gandaerah Hendana was a takeover from the previous owner in 2008. The management has not carried out mixed land acquisition activities after the change in land ownership. Based on management interviews, it is known that the CH has no plans to expand the land by legal compensation for community.

#### 4.4.4, 4.4.5 and 4.4.6

Based on the management's explanation and review of the company's deed documents, PT Gandaerah Hendana was a takeover from the previous owner in 2008. So that the company does not have a record of compensation with the previous land owner which contains information on whether the compensation agreement has used the appropriate language, impact assessment, proof of representation of the previous owner and also details of profit sharing.

**Status: Comply**

#### 4.5

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

#### 4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8

Based on document review and public consultation with related agency (BPN Pelalawan Regency) there has been no new development and planting by PT Gandaerah Hendana since the previous surveillance. The land compensation process has been completed with a map signed by the village and the landowner. The land compensation process was carried out on 1993.

**Status: Comply**

#### 4.6

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

#### 4.6.1 & 4.6.2

The certification unit shows the Technical Guidelines for Land Preparation on "*Prosedur Pembebasan dan Ganti Rugi*"



*Lahan*" (No. 001-SOP-LGL, dated 2 January 2014). Procedures include explaining the land identification process, outreach to the community, physical inventory, to the compensation process.

#### 4.6.3

Until the latest assessments were carried out there were no new GRTTs. The last land acquisition was carried out in 1993. There is FPIC Procedure informed on "*Prosedur Pembebasan dan Ganti Rugi Lahan*" (No. 001-SOP-LGL, dated 2 January 2014). It explains that all stages in the process of compensation for land must be informed, communicated and carried out openly to all stakeholders by prioritizing deliberation and consensus and eliminating the element of coercion on one party. Besides that, the amount of compensation for the release of community rights is adjusted to the applicable laws or according to the results of deliberation and mutual agreement of the parties.

#### 4.6.4

Until latest assessment was implemented there was no expansion of the area or new planting. This was evidenced by the results of public consultations with the community and the absence of records since 1993. The certification unit can show land compensation documents which include informing about news, measurement program, master map of the compensation area, certificate of ownership, statement of relinquishment of land rights, map of the area to be compensated, receipts for compensation payments. The compensation process documents have been signed by both parties and are known to local officials such as the village head, sub-district head and witnesses.

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

Status: Comply

#### 4.7

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

##### 4.7.1 & 4.7.2

The land compensation process was completed by the company in 1993. There is FPIC Procedure "*Prosedur Pembebasan dan Ganti Rugi Lahan*" (No. 001-SOP-LGL, dated 2 January 2014). It explains that all stages in the process of compensation for land must be informed, communicated, and carried out openly to all stakeholders by prioritizing deliberation and consensus and eliminating the element of coercion on one party. Besides that, the amount of compensation for the release of community rights is adjusted to the applicable laws or according to the results of deliberation and mutual agreement of the parties.

##### 4.7.3

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

Heads of surrounding Villages also stated that the company's existence also provided access to recruitment and use of local contractors.

The auditors also observed the boundaries in Divisions 15 and 14 with community-owned land. From the observations, it was found that access roads to the community's lands were found without any disturbances or obstacles from the company.

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

Status: Comply

#### 4.8

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

##### 4.8.1; 4.8.2; 4.8.3; 4.8.4

The certification unit has SOP for Social Conflict Handling Document on "*Prosedur Keluh Kesah Pihak Eksternal*" (No. 005-SOP-LGL, dated 1 September 2020). The procedures include explaining the conflict information, conflict analysis, coordination of conflict handling, and preparation of reports on handling progress carried out periodically at least every one month.

Currently there is no occupation area as described in the previous assessment, The company has legally relinquished land rights in the occupied area, this can be seen from the review of the HGU document which has been revised in size in accordance with the release request that has been sent to the Land Agency of Pelalawan and Indragiri Hulu. In detail, the area of land rights owned by the company are:

- HGU No. 1 of 1997 with an area of 900.26 ha.  
There has been a change in the area of HGU (previously covering an area of 1,360 ha) in accordance with the Declaration Letter of Release of Land Rights (No.: 725/BA-HP.01-14.05/XII/2020) on December 8, 2020 which was acknowledged by the Head of the Land Office of Pelalawan Regency.
- HGU No. 2 of 1997 with an area of 6,398.25 ha.  
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- HGU No.16/1997 with an area of 3,295.51 ha.  
There was a change in the area of HGU (previously covering an area of 6,087) in accordance with the Declaration Letter of Release of Land Rights (No.: IP.02.01/1777-14/XII/2020) on December 8, 2020 which was recognized by the Head of the Land Office of Indragiri Hulu Regency.
- HGU No.14/1996 with an area of 200 ha.
- HGU No.18/2000 with an area of 200 ha.
- HGU No.21/2003 with an area of 103 ha

Based on the results of the review of the land rights document, the total area of the company's scope after being revised based on government approval (reduction of occupation area) is 11,097.02 ha.

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

### **5.1**

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

#### **5.1.1 & 5.1.2**

Gandaerah Hendana POM accept FFB from smallholders and collectors, such as grower namely Danny Tjahyadi and CV Hasrat Sejahtera.

Based on an interview with the Manager Mill, the pricing is an agreement between the management of supplier and the FFB supplier. Pricing is fluctuated in accordance with the development of FFB prices and CPO prices on the world market.

Based on the results of interviews with the FFB supplier, it is known that the company always communicates to him every day regarding changes in FFB prices. The company also informs the FFB on the notice board at the factory, so that it can be seen by FFB suppliers.

#### **5.1.3**

The management representative explained that the company has been documenting the Plantation Office's Monthly FFB Price Determination Letter for the past 1 year. To determine the price for non-partners, refer to SOP 002-SOP-POM regarding FFB pricing, which was approved by the COO and effective on 5 May 2014. The company does not have partner plantations/KKPA (Scheme Smallholder).

The company shows the FFB purchase price fixing document listed in the Pricing Formula of Outsourcing FFB, which explains that pricing is based on a formulation between CPO value per ton FFB, PK value per ton FFB and others. Then

the company will announce the price determined for a period of 3 days based on fruit criteria (large fruit > 10 kg, medium fruit 8 – 9.99 kg and small fruit 6 – 7.99 kg) and competitor prices around the Gandaerah POM through verbal, written or phone messages. This has been stated in Article 6 of the FFB Sale and Purchase Agreement regarding the price of goods, that the price determination is in accordance with the Administrator's decision for a period of 2 times a week. The total FFB price paid by the first party to the second party is based on the weight received at the first party's POM after sorting or cutting using the first party's POM scales. The company shows an example of proof of payment to CV Hasrat Sejahtera's supplier through BRI Bank which informs the date period of the FFB paid and the total tonnage of FFB.

#### 5.1.4

Based on interviews with FFB suppliers, all agreements were made directly with company representatives without involving the represented parties. This is also evidenced by the recording of the FFB sale and purchase agreement signed directly by the FFB owner.

#### 5.1.5; 5.1.6

Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available. The price of FFB determined by the unit of certification in accordance CPO price trends and it's stipulated in work agreements. Based on contract agreement verification known that the FFB trading is conducted fairly, transparently and based on both party agreement. Has been observed, the FFB payment process has been carried out transparently and there has never been a grievance related to the payment. An example of payment verified by the auditor is invoice and proof of payment for period for April 2022 for FFB supplier namely Danny Tjahyadi, where the calculation of payment is in accordance with the amount of FFB acceptance in Mill and the price set. Furthermore, into the local contractor the company can demonstrate that the payment is in accordance with the agreed agreement.

#### 5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out on 27 September 2021 and valid until 23 September 2022 by legal metrology department Pelalawan Regency (No.: 510.3/DKUKMPP-UM/SKHP/2021/159).

#### 5.1.8

Until the time of the assessment, the company has not provided support for independent smallholders. Currently, the agreement between the company and independent smallholders is limited to the sale and purchase of FFB.

#### 5.1.9

The unit of certification shows the SOP for Handling Complaints and Dissatisfaction on "*Prosedur Keluh Kesah Pihak Eksternal*" (No. 005-SOP-LGL, dated 1 September 2020). In the SOP, it is explained that the Social Officer receives letters of complaint and dissatisfaction directly from the reporter or indirectly through the suggestion box. Protection of whistle blowers is contained in the document, point 6.3 part c, which states that the Company guarantees the anonymity of whistle-blowers and whistle-blowers with the aim of reducing the risk of revenge and intimidation.

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

<b>Status: Comply</b>
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### 5.2

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

#### 5.2.1, 5.2.2, 5.2.3, 5.2.4

The company has an improvement program for farmers around the company in the context of economic empowerment and the welfare of the surrounding community which is contained in the "Corporate Social Responsibility Program" which is made annually based on the identification of the needs of the surrounding community. One of the programs is training in sustainable oil palm cultivation. The training provided an understanding for farmers to be able to fulfill sustainable principles starting from land legality to pesticide management. The auditor conducted an interview with the village head of Banjar Balam, and he acknowledged that the company had provided training on the cultivation of the oil palm plant in the village. Community representatives interviewed also confirmed that the activity was recommended by the local

community in order to increase knowledge related to best cultivation practices.

#### 5.2.5

The record of training for smallholder has been recorded on "*Laporan CSR Semester II PT Gandaerah Hendana*". The report also submitted to BAPEDA Pelalawan Regency on 6 January 2022.

**Status: Comply**

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

#### 6.1

#### **Any form of discrimination is prohibited.**

##### **6.1.1, 6.1.2 & 6.1.3**

The policy on equal opportunities and treatment in employment opportunities is available in the Sustainable Palm Oil Policy signed by the Chief Executive Officer, Chief Financial Officer and Chief Operational Office, April 1, 2014 in point 5 which states that the company will always provide the same opportunities for everyone to work and develop a career in accordance with the competencies and opportunities that exist and do not tolerate discrimination of race, ethnicity, religion and belief. The fundamental aims is to ensure diverse and representative profiles of workers through the promotion equality of labor.

The results of the employment document review prove that certification unit does not discriminate and treat all workers equally, the following is evidence that can be shown by the company:

- The composition of workers consisting of various ethnic groups, religions, gender and workers' origins. The existing workers do not only come from one area but come from several areas spread throughout Indonesia such as Java, Sumatra, Kalimantan and others. During the audit, there was no information regarding migran or AKAD workers (*Angkatan Kerja Antar Daerah*) in certification unit.
- Recruitment of workers based on the results of selection, performance appraisal, ability and expertise of workers. For example harvesting worker who have initial ADP and APS received based on the results of the selection of job application files, results of health checks and results of interviews. The worker also passed the test and has been accepted as permanent worker.
- Worker placement and training are carried out in accordance with their expertise / type of work, such as prospective harvest workers are placed as harvest workers and receive regular harvest training.
- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several maintenance foreman who are female workers.

Based on the results of interviews with workers (harvester, pesticide applicator, upkeep and mill operator), it is known that workers have never felt that the certification unit has discriminated against since they first working until now. This is because all activities from recruitment, performance appraisal, promotion, and union, each worker is given the same opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in worker unions, affiliations. politics, or age. There is no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. This has resulted in the absence of discrimination issues from 2021 to the present (May 2022).

Based on the results of the study of labor documents, it is known that since 2021 until now there have been no migrant workers, no casual workers (*BHL*), all workers working in the certification unit are contract worker (*PKWT*), permanent workers and staff. All the rights for each employment status has been distinguished.

These explanations can conclude that the certification unit has policy and treated all workers equally (based on skill, quality and eligibility) without discrimination based on gender, ethnicity, religion, health conditions or others and has carried out all recruitment activities in accordance with applicable policies and procedures. owned without any act of discrimination.

##### **6.1.4**

A pregnancy test for workers is carried out just to ensure that pregnant workers are not allowed to do work with

chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action. This is made clear by the results of interviews with women workers in spraying and upkeep activities stating that female workers are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the certification unit.

#### 6.1.5

The certification unit already has a gender committee in accordance with the decree of operational directors: no. 301 / LGL / GH-PKU / V / 2018 concerning the formation of Gandaerah Gender Committee on May 30, 2018. The composition of the management of the gender committee itself consists of the chairperson, deputy chairperson, secretary, counseling / outreach section, complaints section, and women empowerment section (this committee is consist of female and male workers). In the work program of PT GH gender committee in 2021-2022, it is known that other forms of activities include outreach and socialization on gender and prevention of sexual harassment, ways to complain to the gender committee, to meetings to discuss productive efforts.

The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee and the activity was carried out on 19 March 2022 which was attended by all workers and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

The results of interviews with upkeep workers (male and female workers) and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were socialization to workers annually. This is evidenced by the absence of any issues or incidents related to this from 2021 until now (May 2022).

#### 6.1.6

Equal payment of wages has been made by certification unit properly, considering the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively. For example, employee with employee ID 0208033 (upkeep), ID 0301006 (harvester), ID 1312727 (security) and ID 0604048 (boiler helper) who get wages in May 2022 whose value is in accordance with the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage). This is in line with statements from workers who were interviewed with types of work as harvesters and sprayers who have the same type of work but have different wage scales based on their performance, length of work in the company, productivity and other factors.

In addition, based on the results of interviews with labour union representatives, it was found that the certification unit already has a wage scale structure for each worker based on position, class, work performance, and not based on gender differences or origins. For example, the lowest wage scale is for contract worker (*PKWT*) and the highest wage is permanent workers that has been reach Grade G2 Group 2D.

The results of interviews with workers (harvesting, spraying and mill operators) in note that workers already know that there is a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. The monthly wages received are in accordance with the grade owned by each worker and so far there have been no complaints / errors regarding this matter.

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

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

#### 6.2.1

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 and others manpower procedures written in Bahasa. This Collective Labour Agreement explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The certification unit can show that the Collective Labour Agreement have been approved by the relevant agencies.

The Collective Labour Agreement has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 19 March 2022 which was attended by all workers on muster morning. The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and worker union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Collective Labour Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 have been accordance with the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the May 2022 wage document for harvester, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, employee with employee ID 0208033 (upkeep), ID 0301006 (harvester), ID 1312727 (security) and ID 0604048 (boiler helper) who get wages in May 2022 whose value is in accordance with the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage).

Based on the description above, it can be concluded that the certification unit already has documentation of wages and work requirements in accordance with applicable labor regulations for workers in the national language, along with explanations for workers in a language they understand.

#### **6.2.2 & 6.2.3**

The certification unit has Collective Labour Agreement are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. Explanations related to the contents of the Collective Labour Agreement include:

- Employee Acceptance (recruitment, selection, transfer, promotion, performance appraisal) which explains that all workers wishing to join the company must follow the specified requirements including: being over 18 years old, having a health certificate, taking a selection exam, and other requirements.
- Working Time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week, in which the total working hours are 40 hours in a week. a week.
- Wages which explains the wage that cannot be lower than the minimum wage set by the government every year, granting rice allowance to all workers according to its calculation, and other explanations.

In addition to being generally stated in Collective Labor Agreement, the certification unit also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Riau Governor Decree No. Kpts.1272/Xi/2021 dated November 30, 2021 regarding District/City Minimum Wages in Riau Province in 2022, where the minimum wage for Pelalawan Regency is Rp. 3,030,598.54 and Indragiri Hulu Regency Rp. 3,097,706.00, all of which come into force on January 1, 2022.
- The company's minimum wage setting document in the 2022 Salary Increments document set by the CEO, CFEO, CSO and COO on January 1, 2022 follows the Indragiri Hulu minimum wage of Rp. 3,097,706,-. The wages are for workers whose working period is less than 1 year.
- Document determining the structure and scale of wages for workers of PT Gandaerah Hendana for the period of 2022 based on the Decree of the Director of PT Ganregion Hendana No. 244/HRD/GH-PKU/VI/2022 dated 02 June 2022 which stipulates the structure of the wage scale for the lowest level to be in Grade G1 Group 1 and the highest level wage is at Grade G2 Group 2D. Where the range of wages in each grade starts from the smallest wage, middle wage and highest wage.
- May 2022 salary slips with the employee with employee ID 0208033 (upkeep), ID 0301006 (harvester), ID 1312727 (security) and ID 0604048 (boiler helper) have a different based on wage scale structure 2021/2022 and all wages



above the minimum wage.

- The work agreement for contract workers have detail that explains the duties, placement, remuneration, working time, *BPJS*, health checks and so on. For further explanation, refer to indicator 3.6.2, where the explanation regarding worker acceptance is quite clearly explained in the indicator.
- Overtime payment in May 2022 that has been accordance with applicable laws for employee with employee ID 1312727 (security) and ID 0604048 (boiler helper). The suitability starts from the time limit for overtime work in a week which does not exceed 18 hours and the calculation of overtime which refers to Government Regulation no. 35 year 2021.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labour Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Proof of giving maternity leave to workers and granting annual leave to employees.
- Etc.

Since 2021 to May 2022 there has been no change in policy, but what has changed is the decision related to the minimum wage which has changed every year following the government's decision. Regarding the change in the minimum wage decision, it has been routinely submitted annually to workers at the beginning of the year and this is reinforced by the results of interviews with field workers and worker union representatives who are clear about any changes in the minimum wage every year. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and worker union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 have been accordance with the minimum wage set by the government and there are no late payments every month, working hours is seven (7) hour a day with 6 days in a week (with total of 40 work hours in a week and have one days that have just only 5 work hours) and for the overtime has been paid in accordance with applicable regulations.

A review of the May 2022 wage document for harvesters, sprayers, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, workers' wages with the Employee with employee ID 0208033 (upkeep), ID 0301006 (harvester), ID 1312727 (security) and ID 0604048 (boiler helper), all wages accordance with the minimum wage and he wage scale structure determined by the certification unit for 2022.

Based on the foregoing, it can be concluded that the certification unit has procedures and provisions related to wages, work requirements (regular working hours, deductions, overtime, sick leave, vacation rights, maternity leave, etc.) well documented and thoroughly implemented in each unit.

#### **6.2.4**

The certification unit has provided welfare facilities to occupants in the form of housing, clinics, water supply, drinking water depot, electricity, education, transportation and other facilities. The results of the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there were daycare for children. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers. This is in line with the results of interviews with housing residents stating that the facilities provided by the certification unit are houses, electricity, availability of clean water, transportation of school, school in nearby villages (kindergarten, elementary, middle and high school), child daycare, places of worship (mosque & church), sport facilities and others. In general, the facilities provided by the certification unit are good / suitable for use by workers and their families. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities

provided every year, such as housing that is repaired if there is damage (usually if there is damage the worker will inform it and it will be handled directly by the repair company), the availability of electricity that has been provided by the *PLN* or a generator, and the availability of clean water which is always monitored for its feasibility every 6 months (the results of monitoring clean water in the residential area do not show any test parameters that exceed the threshold).

#### 6.2.5

Certification unit has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable 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. Based on interviews with workers (harvesters, sprayers, upkeep and mill operators), housing residents, worker union and gender committee, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the certification unit with less difficult access.

#### 6.2.6

Since the absence of benchmark for decent living wage in Indonesia, so certification unit still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance on Calculating Prevailing Wages. The certification unit has the determination of assessment prevailing wage and all kind of benefits for DLW simulaton in 2022 has been included in the calculation of main wage, worker status, housing facility, education, electricity, water sources, healthcare and others. The results of these calculations are known that the standard of DLW currently given / simulated by the certification unit is above the stipulation of the minimum wage and all calculations of prevailing wages has been referred to RSPO guidance on calculating prevailing wages 11 November 2019.

Based on the explanation above, it can be concluded that the unit of certification has a Decent Living Wage calculation based on prevailing wage and in kind benefits provided by the certification unit.

#### 6.2.7

The company currently still has 170 workers with contract status at PT Gandaerah Hendana. All of these workers are employed for non-permanent jobs such as work in loose fruit pickers. The previously mentioned work is a temporary job because it only lasts for a certain period of time, namely during the peak crop period for wholesalers of around 3-6 months. The company has also registered all its contract worker (*PKWT*) with the relevant agencies, this is evidenced by the existence of a Work Agreement Recording Report for workers with contract worker (*PKWT*) status on June 10, 2022 to the Pelalawan Regency Manpower Office with a total of 170 registered contract worker (*PKWT*). In addition, based on the results of interviews with the Manpower Office of Pelalawan Regency, it is known that the company uses contract worker (*PKWT*) in accordance with applicable laws and regulations and is fully registered with the agency.

Based on the explanation above, it can be concluded that the company has used contract worker (*PKWT*) in accordance with applicable regulations and all contract worker (*PKWT*) who work in the company are only for temporary jobs.

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

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

#### 6.3.1

The policy on organization and association is available in the Sustainable Palm Oil Policy which was signed by the Chief Executive Officer, Chief Financial Officer and Chief Operational Office, dated April 01, 2014 at point 6 which states that the company will always provide opportunities for every employee to organize and associate. in accordance with applicable regulations.

As proof that the policy has been implemented properly, the certification unit has a number of active worker union. Every worker union has been registered to Manpower and Transmigration Agency of Pelalawan and Indragiri Hulu Regency, such as:

- SPSI registration to the Manpower Office of Indragiri Hulu Regency with registration No. 40/DISNAKERTRANS.04/PHI.BP/V/2016 dated 25 August 2016.
- SPSI registration to the Manpower Office of Pelalawan Regency with registration No. 250/DTKPEN/SP-SB/2020/47 November 10, 2020.
- HUKATAN registration to the Manpower Office of Indragiri Hulu Regency with registration No. 05/PUK.FS.HUKATAN-SBSI/DPKT.3/IX/2009 dated September 10, 2009.
- HUKATAN registration to the Manpower Office of Pelalawan Regency with registration No. 800/DTKPEN/SP-SB/003 dated July 1, 2010.

Based on the results of interviews with the union, the company has facilitated workers in forming a union by giving free time (work permits) if there are important union meetings and not intervening in union activities. The results of interviews with workers revealed that union membership is voluntary.

Based on the explanation above, it can be concluded that the certification unit has published a statement acknowledging the freedom of association and the right to collective bargaining in the national language, in which the statement is explained to all workers in a language they understand and can prove its implementation.

#### **6.3.2**

The certification unit has records of meetings between workers and management representatives. The following are examples of records of meetings conducted by worker union in 2021/2022. For examples: The meeting on January 26, 2022 between the labor union and the company discussed the finalization of the preparation of the CLA for the period 2022-2024 which was attended by 10 participants. Where in the meeting the workers and the company negotiated to determine the addition or amendment of the CLA which will be ratified later. The result of these negotiations is the finalization of the CLA and has been approved by the local Manpower Office.

Based on the results of interviews with worker union and their members who are workers in each unit, it is known that the union holds meetings every month (if there is an issue, if not they will be holds meeting when the issues arrive) with those accommodated in meetings between worker representatives and management representatives. This is also supported by the results of a review of worker complaint documents, it is known that the existing issues are only complaints related to the lack of supporting facilities, but this has also been continuously improved by the certification unit to be better.

Based on this explanation, it can be concluded that every meeting between the certification unit and the worker union has been well documented and available at the time of the audit.

#### **6.3.3**

The absence of unit certification interference in the selection or operation of labor union activities, this is evidenced by the results of interviews with workers and union representatives stating that in the process of selecting / making decisions and planning activities, members provide input / aspirations to their representatives each to make an election / decision-making and no management has a position as staff / managerial (assistant and above). The employee who currently serves as the Chairman of the Labour Union is not from the staff (assistant or above) but from field workers, then there will be no conflict of interest that occurs with the company because there are no workers who have the authority as decision makers (staff class and above). The explanation has reinforced the fact that management did not interfere directly / indirectly with the taking decisions and activities carried out by labor unions.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

		<b>Status: Comply</b>	
<b>6.4</b>			
<b>Children are not employed or exploited.</b>			
<b>6.4.1, 6.4.2, 6.4.3 &amp; 6.4.4</b>			
<p>The company has a policy regarding the age of workers explained in the Sustainable Palm Oil Policy signed by the Chief Executive Officer, Chief Financial Officer and Chief Operational Office, April 1, 2014 on point 7 which states that the company will not employ children under the age of 18. That policy states that it is forbidden to employ child labor and under the age of 18 (eighteen) years, this is evidenced by the Identity Card (KTP) at the time of employee recruitment. The results of the verification of documents 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 19 March 2022 and to the contractor when signing the work agreement.</p> <p>Based on field visits and interviews with workers in the fields, it is 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 company 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 18 years eight months when entering work.</p> <p>Based on the results of the review of the cooperation agreement document with the contractor for examples is PT Aneka Sumatrindo and PT Pandawa Satria Nusantara, it is known that in The agreement has a separate clause to ensure that the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.</p> <p>Based on this, it can be concluded that the unit of certification has a policy on child protection including the prohibition of child labor and has been well documented and known to all workers.</p>			
		<b>Status: Comply</b>	
<b>6.5</b>			
<b>There is no harassment or abuse in the workplace, and reproductive rights are protected.</b>			
<b>6.5.1, 6.5.2 &amp; 6.5.3</b>			
<p>The certification unit has a policy on the Protection of Decency and Sexual Harassment which was approved on December 16, 2017 by the Director of Operations, the Director of Finance and the President Director. In addition, there is also a statement that it is prohibited to prohibit employees if they want to breastfeed a child as stipulated in the Employee Health Check SOP (Document No. 005-SOP-HRD). Furthermore, Article 24 and 25 of the Collective Labor Agreement also regulates about maternity and menstrual breaks</p> <p>Based on interviews with female workers and gender committee, the policy had disseminated to workers through socialization with workers and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights. Based on the field visit to the housing complex show that to accommodate the needs of new mothers, breastfeeding corners have been provided in the office area and child care area. Since 2021 until the assessment was carried out there were criteria for the target assessment is pregnant workers and new mothers. This is based on the results of a review of documents identifying the presence of pregnant, new mothers and lactating women in 2021 to May 2022.</p> <p>Based on the explanation above, it can be concluded that the certification unit has policies related to preventing harassment, sexual violence, protection of reproductive rights and identifying the needs of new mothers, all of which have been implemented properly and proven according to the results of field observations and interviews with workers.</p>			
<b>6.5.4</b>			
<p>The company has demonstrated procedures related to complaints, in that procedure also regulates the protection of whistleblowers/anonymity. The company has shown a record of workers' complaints and complaints which are documented in the Grievance Logbook. The document describes the Grievance/Suggestion (Date, information provider,</p>			

complaint description, means of delivering information, company response, completion time, information and PIC).

Based on the results of interviews with representatives of working union and gender committee it is known that the workers have understood the procedures and mechanisms for submitting complaints/complaints to the company, this is because the company has routinely socialized the procedure by posting warnings/complaints. signposts related to this.

Based on the explanation above, it can be concluded that the certification unit has a complaint mechanism that guarantees the anonymity and protection of the complainant which is known by all levels of workers and has been well documented.

**Status: Comply**

## 6.6

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

#### **6.6.1 & 6.6.1**

The company has a worker recruitment procedure document listed in Document No. 001-SOP-HRD which was approved by Chief Operation Officer (COO) Hendry Tan on January 2, 2014. This procedure aims to ensure that the recruitment process is good in order to meet the needs of qualified human resources as expected by the company. The procedure also states that the company does not employ illegal workers or implement a forced labor system. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description.

There are no migrant workers who work in the company'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 Collective Labour Agreement, and in work agreements. Based on employee list and observation in field known that there is no migrant workers, 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, for example:

- 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.
- There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such as contract workers for maintenance activities only doing maintenance activities and do not employ workers other than those stated in the contract.
- 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 company can refuse if ordered to do overtime activities because overtime is not the worker's obligation, and the company also does not prohibit this.

Based on employee data in May 2022 and interview with workers (mill and estate), most of the workers came from local communities, Javanese, Batak, Melayu and other ethnicity. They have the recruitment process in the certification unit and is in accordance with applicable employee acceptance procedures. Based on the results of interviews with workers in plantation and mill, it is known that currently there are no migrant workers, retention of identity, payment recruitment fees, contract substitution, involuntary overtime, lack of freedom of workers to resign, penalty for termination, debt bondage, and withholding. bondage. This is because the certification unit has carried out its operations in accordance with applicable regulations.

There is no significant obstacles related to employment or violations of Collective Labour Agreement. For example, for the harvesters works daily based in 7 working hours. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list on May 2022, the harvesters have earned in accordance with the minimum wage.

**Status: Comply**



**6.7**

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

**6.7.1**

The company already has an K3 organization in the form of OHS Committee (Occupational Health and Safety Committee) in each unit that has been approved by Manpower and Transmigration Agency, including:

- Head Decree of the Manpower and Transmigration Agency of Riau Province with the number Kep.105/Disnakertrans-PK/SK-OHS committee/IV/2021 concerning the Ratification of the Occupational Health and Safety Committee of PT Gandaerah Hendana – Ukui. Ratified on April 14, 2021. The organizational structure of OHS committee consists of: Trustees, Chairperson, Deputy Chairperson, Secretary and Members. General OHS Expert on behalf of Suhendri Alputra as Secretary with Reg No. 21187/P3K/AJ/14/2021/P2 on 30 June 2021 with status still valid until June 2024.
- Head Decree of the Manpower and Transmigration Agency of Riau Province with the number KEP.105/Disnakertrans-PK/SK-OHS committee/IV/2021 concerning the Ratification of the Occupational Health and Safety Committee of PT Gandaerah Hendana – Ukui. Ratified on April 14, 2021. The organizational structure of OHS committee consists of: Trustees, Chairperson, Deputy Chairperson, Secretary and Members. General OHS Expert on behalf of Ifaroni as Secretary with No Reg. 49686/P3K/AJ/14/2021/P1 on 30 June 2021 with status still valid until June 2024.

In the OHS program, there are regular OHS Committee meetings every month to discuss issues and evaluation of the OHS work program, for example the discussion at the OHS committee meeting in April 2022, including:

- Inspection of the first aid kit is carried out every month to ensure that the contents of the first aid box and bag are in accordance with the doctor's recommendations and to ensure the expiration date of medicines
- Inspection of Fire Extinguishers is carried out every month to anticipate early fire hazards as well as cleaning fire extinguishers and replacing damaged or empty fire extinguishers.
- Investigation of worker accidents on the highway, such as conducting socialization to workers who go to and from work through the causeway, conduct socialization to always use Indonesian National Standard helmets, install sign board of maximum speed on the road.
- OHS socialization to all workers on September 6, 2021, which aims to provide understanding to workers about the importance of recognizing the risk of hazards around the work area and the importance of using PPE.

**6.7.2**

The company shows the established OHS procedures, including:

- Procedure for Handling and Investigation of Work Accidents, document number 033-SOP-ISP, revision number 00, effective January 2, 2014, is examined and approved by the Chief Operational Officer and Chief Financial Officer.
- Emergency Preparedness and Response Procedure, document number 024-SOP-ISP, revision number 00, effective January 2, 2014, is reviewed and approved by the Chief Operational Officer and Chief Financial Officer.
- Procedure for the Management of Personal Protective Equipment, document number 019-SOP-ISP, revision number 00, effective January 2, 2014, is reviewed and approved by the Chief Operational Officer and Chief Financial Officer.
- The Log Out Tag Out procedure, document number 010-SOP-ISP, revision number 00, effective January 2, 2014, is examined and approved by the Chief Operational Officer and Chief Financial Officer.
- Work Permit procedures, document number 008-SOP-ISP, revision number 00, effective January 2, 2014, are reviewed and approved by the Chief Operational Officer and Chief Financial Officer.
- Procedure for Handling and Investigation of Work Accidents, document number 033-SOP-ISP, revision number 00, effective January 2, 2014, is examined and approved by the Chief Operational Officer and Chief Financial Officer.

The company also shows the structure of the Emergency Response Team that has been trained and has a first aid certificates, totaling 10 people. The Emergency Response Team structure consists of two teams, namely:

- The Emergency Response Committee at PKS for the period 2021 – 2024 which was ratified by Decree No.018/PKS.GH/SPO/TKD/II/2022 by the Chair of the Emergency Response Committee on 20 February 2022. The organizational structure consists of the Chair, Deputy Chair, Secretary, Fire Team, Evacuation Team, Recovery Team, Medical Team, Asset Security Team.



- Emergency Control Team in Estate for the period 2021 – 2024 which was ratified by Decree No. 602/SK/GH-PKU/XI/2021 by the Director of Operations on 24 November 2021. The organizational structure consists of the Chair, Deputy Chair, Deputy Chair II, Treasurer, Field Coordinator, Secretary, Deputy Secretary, Fire Fighting Task Force, Emergency Evacuation Task Force, Medical Task Force, Security Task Force, Communications Task Force, Inventory Task Force and Repair & Repair Task Force Recovery.

Based on field observations and document review, it is known that the company has provided first aid kits at strategic and easily accessible places and provided supplies to the foreman in the form of a first aid bag. The foreman has also been given training on May 25, 2022 and can explain how to use the contents of the first aid kit. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations.

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

#### **6.7.3**

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

- Minutes of handover of PPE for each unit, for example: for workers in Division 11 on 5 April 2022 the company provided 17 helmets, 17 harvesting glasses, 17 helmet cages, 17 brackets and 17 helmet straps. The company also provided PPE for Mill employees in May 2022, such as 24 Wilsafe kevlar blue, 11 Cotton Glove, 1 Falcon CIG Clear Visor, 12 Corded Ear Plug CIG 4002, 16 Pvc Dotted Cotton Glove, 26 Green Gold glove, 4 Falcon CIG Visor + Headgear.
- Documents of PPE stock opname results in June 2022 to determine the availability of spare PPE in the warehouse, such as safety helmets, safety goggles, ear plugs, safety belts, safety harness, safety shoes, and others.

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

Based on field observations to the Spray Unit Building it is known that the company has implemented procedures for bathing, washing PPE and spray equipment, as well as storing work tools and PPE.

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

#### **6.7.4**

The company have Collective Labour Agreement that describe about workers have the right to receive medical care and be protected by the accident insurance. The management unit show proof of payment of *BPJS* for all workers. Payments are made every month by percentage according to the regulation. The last payment that has been paid by certification unit is on 13 May 2022 for "*BPJS Ketenagakerjaan*" period of April 2022 and on 10 May 2022 for "*BPJS Kesehatan*" period of May 2022. All proof of payment shown and payment details for the "*BPJS Ketenagakerjaan* and *Kesehatan*" program are in accordance with the current actual conditions / in accordance with the number of all existing workers.

Based on the interview with representative of worker union, estate and mill workers, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a *BPJS* card for health insurance, if they went to a company clinic there was no fee at all. Based on the explanation, it can be concluded that the company already has a list of employees participating in the Employment and Health Insurance (*BPJS*) program along with proof of monthly payments. This also applies to contractor workers, all contractor workers working within PT Gandaerah Hendana have been registered in the *BPJS* program and this has been explained further in indicator 2.2.2

#### **6.7.5**

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident

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

Unit	Work Hours	Case	LTI	FR	SR
PT Gandaerah Hendana	269,598	11	16	40.8	59.35

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

**Status: Comply**

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

### **7.1**

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

#### **7.1.1**

The company has a Pest and Disease Control Procedure (Document No. 023-SOP-AGR Rev. 1 dated 05 September 2018) and a Biological Pest Control Procedure (Document No. 024-SOP-AGR). These two procedures aim to determine the basic principles of countermeasures, life cycle, identification of deployment locations, effective control strategies, and conservation of natural enemies. To determine the condition of pests in the field, detection is carried out routinely, rotating 2 times per month for Fire Caterpillars and Bag Caterpillars, as well as attacking rats and owl cages once a month.

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

- The company shows the recorded documents from the results of the pest census in December 2021, such as the rat census with an attack rate of 0.9%, the *Setothosea signa* census with an attack rate below the threshold (mean caterpillar/midrib <2) was 0.06 caterpillars/midrib, the *Ptero plagiophleps* census with an attack rate below the threshold (mean caterpillar/midrib <2) was 0.87 caterpillar/midrib.
- Planting of beneficial plant, the company has planted a beneficial plant by showing a beneficial plant monitoring document, based on a document review it is known that the company has planted a beneficial plant from 2019-2021, namely *Antigonon leptopus* of 8,488 Mtr, *Turnera* of 10,938 Mtr and *Cacciatore* of 25,463 Meters. Based on field observations in Block I22 Division 11, it is known that there are *Cacciatore* plants for *Limacodidae* and *Psychidae* predator hosts.
- Development of Owls as natural predators of rats. The results of the study on the report on the condition of the owl cages in December 2021, it was found that in PT Gandaerah Hendana there were 78 active cages and 279 inactive cages. The results of field observations revealed that there are active owl cages, such as in Block K24 Division 11 and Block J18 Division 11.
- The results of field observations in block H23 Division 5 and block I15 Division 7 found the use of trap nets to control *Oryctes rhinoceros*.

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

#### **7.1.2**

The company does not use the species mentioned in Permen LHK No.P. 94/MENLHK/SEKJEN/KUM.1/12/2016 concerning Invasive Types. This is based on the documents monitoring of planting/maintaining beneficial plants, such as *Turnera subulate*, *Cacciatore* and *Antigonon leptopus* both at Estate 1, 2, and 3 to deal with attacks of *Limacodidae* and *Psychidae*. The company has planted a beneficial plant by showing the beneficial plant monitoring document, based on the document review it is known that the company has planted a beneficial plant from 2019-2021, namely *Antigonon leptopus* of 8,488 Mtr, *Turnera* of 10,938 Mtr and *Cacciatore* of 25,463 Mtr. Based on field observations in block I22 Division 11, it is known that there are *Cacciatore* plants for predatory hosts of *Limacodidae* and *Psychidae*

The company also uses the Tyto alba species for biological control of rat pests. This is shown in the report on the condition of nest box in December 2021 that there are 78 active nest box and 279 non active nest box.

### 7.1.3

The company has shown its commitment to eco-friendly plantation management. Based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

**Status: Comply**

## 7.2

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

#### 7.2.1

The company has a commitment to reduce pesticides in plantation operations, which is contained in the Pesticide Use Policy which was approved by the Director of Operations on July 10, 2018. This policy is a refinement of the Management Instruction dated December 19, 2016, regarding the termination of the purchase and use of Gramoxone. This pesticide policy states, among other things, that the IPM program, if possible, will use more environmentally friendly and more efficient use of biological and non-chemical methods.

Measures to avoid the development of resistance are to use pesticides selectively (for weeds) and develop biological control (for pests). The company shows a list of all types of pesticides used for the period 2022. These are described in the following table:

Pesticides	Active ingredients	No. Registration	Objective
Metsulindo	Metil metsulfuron	RI.01030120124374	Soft leaf weeds, weed grass
Basta	Amonium Glufosinate	RI.01030119921113	Weeds stenochlaena palustris, dicranopteris linearis
Amcopyr	Triklofir	RI.01030120124336	Noxious weed.
Starane	Fluroksipir	RI.01030120083155	Mucuna bracteate weed

Based on observations and interviews conducted with spray workers in block J18 Division 11, it was concluded that workers knew about the function of chemicals used and were selective when spraying activities. such as for example for Methyl and Ammonium Glufosinate materials used for cross-border spray.

#### 7.2.2

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

Pesticides	Active ingredient	LD50 (rat) (mg/kg)	Class	Amount used (Ltr or Gr)	Area used (Ha)	Unit/Ha
Elang	Glyphosate	4230	III	11,811	7,874	1.5-3 L/Ha
Basta	Amonium Glufosinate	1625	II	16,157	8,078.5	2-4 L/Ha
Metsulindo	Metil metsulfuron	>5000	U	1,320,908	8,806	75-150 Gr/Ha
Abolisi	Dimetil amina	865	II	110	275	400 CC/Ha

Based on field observations at the chemical/pesticide warehouse, it is known that the list of pesticide records is in accordance with the list of stocks in the warehouse.

Based on field observations, it is known that workers understand the principle of selective weed control and the Buffer

zone area such as a river border, around 2 trees along the river border, there should be no application of pesticide spraying.

### 7.2.3

The company shows records of pesticide use in 2020 and 2021 at PT Gandaerah Hendana which shows a decrease in pesticide use, such as:

Pesticides	Unit	2020	2021
Elang	L	12,640	11,811
Basta	L	18,029	16,157
Metsulindo	Gr	1,372,481	1,320,908
Abolisi	L	137	110

The company has also planted beneficial plants, such as Antigonon leptopus, Turnera and Cacciatora. In addition, the company also showed documents on the number of active and inactive Owl cages to eradicate rats, as well as the use of traps made of nets to control Oryctes rhinoceros.

Based on field observations, interviews, and document review, it is known that the company has maintained records of pesticide use and its reduction to some extent by substitution of environmentally friendly materials/use of biological agents for plant maintenance.

### 7.2.4

The company shows the Division's work documents and the Pest control activity plan document which consists of detection and census of rat pests. leaf-eating caterpillars. termites and biological control, such as planting beneficial plants and developing owl populations. The company monitors the effectiveness of biological pest control such as developing beneficial plants for oil palm leaf-eating caterpillars and developing owls for rats. The use of insecticides is carried out if the level of pest attack is above the threshold ( $> 2$  caterpillars/midrib). The company shows the recorded documents from the results of the pest census in December 2021, such as the rat census with an attack rate of 0.9%, the Setothosea asigna census with an attack rate below the threshold (mean caterpillar/midrib  $< 2$ ) was 0.06 caterpillars/midrib, the Ptero plagiophleps census with an attack rate below the threshold (mean caterpillar/midrib  $< 2$ ) was 0.87 caterpillar/midrib.

Based on the results of document reviews, interviews, field observations, and pest censuses, the company has not yet carried out chemical pest control.

### 7.2.5

The company has justification for the use of selective pesticides according to pest specifications, both in pest, disease and weed control procedures, as well as a management commitment to update 2021. The document contains the type and name of the pesticide, physical form, active ingredient, group according to WHO, LD50, working method, target selective, dose, manufacturer, register number at the Pesticide Commission, and distribution permit. From the review of the document, it is known that the pesticides used do not fall into categories 1A, 1B, the Stockholm/Rotterdam Convention, and there is no paraquat.

The company has a commitment to reduce pesticides in plantation operations, which is contained in the Pesticide Use Policy which was approved by the Director of Operations on July 10, 2018. This policy is a refinement of the Management Instruction dated December 19, 2016, regarding the termination of the purchase and use of Gramoxone. This pesticide policy states, among other things, that the IPM program, if possible, will use more environmentally friendly and more efficient use of biological and non-chemical methods. With this concept, the use of pesticides that are limited in nature such as paraquat is not used. Based on document verification, the company will not use paraquat and WHO Class 1A or 1B, or those registered by the Stockholm or Rotterdam Convention applications.

### 7.2.6

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

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

Procedures for Management of Used Agrochemicals and Agrochemical Contaminated Water (Document No. 014-SOP-ISP, 02 January 2014) are approved by CFO and COO. The procedure explains, among others:

- Administration, warehouse officers receive used fertilizer sacks and used pesticide packages and carry out calculations and records received from the foreman or Division assistant. After the used sacks are cleaned, the used sacks are tied up per 10 sheets or according to a certain amount and neatly arranged in a predetermined storage place. Meanwhile, used pesticide packaging is submitted to the B3 Waste TPS Warehouse at the PKS and recorded in the B3 waste balance.
- Implementation of Washing Used Agrochemical Packaging

In order to ensure this works, the company carried out training on the use of pesticides for pest/weed spraying activities which was held simultaneously on January 19, 2022 which was attended by 61 workers consisting of the foreman and workers related to pesticides and spraying techniques.

Based on field observations, it is known that workers have carried out work in a trained and according to procedures, use of appropriate PPE, areas related to chemicals equipped with *B3* warnings, limited area warnings, warnings on the use of PPE, emergency response facilities such as fire extinguishers, HIRAC, washroom, spill control area and cleaning equipment.

#### **7.2.7**

The results of the field visit to the Spray Unit Building Division 5, it was found that the company already had sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for work tools, and PPE, milk drinking rooms, no pesticide was found in the building.

The results of the field visit to the chemical/pesticide storage warehouse, it is known that the chemical storage area has been equipped with closed and labeled containers, and the fertilizer storage area is equipped with ventilation and is lined with pallets.

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

#### **7.2.8**

Company established procedure for Toxic and Hazardous waste handling including ex agrochemicals management listed on SOP 014-SOP-ISP, 02 January 2014. This procedure stated that all ex-chemicals containers were kept on temporary hazardous storage at mill/estates. Record of management Hazardous Waste, included in reporting management hazardous waste quarterly to environment agency. Training and socialization to spraying workers about ex pesticide container disposal. All discarded containers of chemicals from by Estate and Mill, placed in hazardous waste warehouse.

Based on interview with worker and pesticide warehouse officer of Estate 1 and Estate 3 they understand the mechanism well. In housing complex, ex pesticide waste has been handled well and observation on plantation block and workshop show that there is no agrochemical ex-container in the plantation working area.

#### **7.2.9**

Based on the results of a review of pesticide application documents and interviews with management, spray workers and the village heads, it was found that during ASA 3 the company did not apply airborne spraying.

#### **7.2.10**

The company has carried out periodic medical check-ups and special health checks for all employees which were held on 6 – 11 December 2021. The examination includes cholinesterase, medical check-up (general) and audiometry. The number of employees who take part in periodic (general) and special health checks is 1,090 workers, including check of workers in estates and mills. A special medical check up cholinesterase was carried out on 238 foremen and workers who handle chemicals (pesticides and fertilizers), with normal diagnostic results.

**7.2.11**

The company shows a Internal Memorandum about its reproductive policy, which among other things regulates that pregnant and lactating workers are prohibited from being employed for all types of work related to all chemicals.

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

**Status: Comply**
**7.3**

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

**7.3.1, 7.3.2, & 7.3.3**

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:

- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visits 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 use for fertilizer, based on field visit the condition of flatbed has been maintained well and no environmental pollution potential.
- Hazardous waste has been managed in licensed temporary hazardous waste storage and transported by licensed parties.

All waste products and sources of pollution have been identified and documented in the waste management and identification document period of 2021. Based on document verification shown company has implemented waste management accordance with waste identification source and management plan for examples are:

- Estates, waste source: chemist activities, waste type: ex pesticides containers (toxic and hazardous waste), managed by stored in optimalization store and sent to related transporters
- Mill, waste source: FFB process, waste type: shell and fiber (non-toxic/hazardous waste), managed by renewable energy usage for boiler
- Mill, waste source: FFB process, waste type: palm oil mill effluent, managed by the effluent pond and land applications as nutrient cycle.
- Estates, waste source: pruning activities, waste type: oil palm frond (organic waste), managed by frond stacking.

Based on field observation in Gandaerah Hendana POM, solid waste and POME have been managed without polluting the environment. Solid waste management such as hazardous waste produced is stored in hazardous waste storage, empty bunch is disposed in empty bunch storage before being applied to land, shells and fiber are used as boiler fuel, and boiler ash is stored in boiler ash storage before being used as stockpile. Meanwhile, POME from mill is processed through WWTP until it has been fulfilled quality standard before it is streamed to land application.

Based on field observation to Hazardous Waste Storage in Gandaerah Hendana POM and estates, hazardous waste from each unit has been stored to hazardous waste storage which has been equipped with emergency response facilities such as fire extinguisher, alarm, spill kit, emergency shower, secondary containment and first aid kit. Hazardous waste has been stored based on toxicity and hazardous characteristics, e.g., clinical and chemical storage waste are stored in different containers. Meanwhile, domestic waste from housing area is disposed into landfill in each unit. Based on interview with management representative, solid waste management, e.g., in housing area of Estate 1, Estate 2, and Estate 3, is collected by waste management officer and delivered to the landfill. Based on interview result with residents of housing complex, there is prohibition of burning for waste disposal in the company.

**Status: Comply**
**7.4**

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



**sustained yield.**
**7.4.1**

The company has SOPs regarding Good Agricultural Practices, such as fertilization procedures, such as Fertilization Procedures in Nurseries (code 011-SOP-AGR), Inorganic Fertilization (code 026-SOP-AGR), Organic Fertilization (code 027-SOP-AGR), and Land Applications (028-SOP-AGR). These procedures include, among others, Fertilization Planning based on soil and leaf tissue analysis, programming, application, and monitoring. The goal is to meet the nutritional needs of plants, good plant growth, contribute organic matter to the soil, and good production. Monitoring of the implementation of SOPs, among others, is carried out through an internal audit mechanism that is carried out by the OIA Department every semester.

The company has implemented practices to optimize production results in accordance with established procedures, including:

- PT. Central Alam Resources Lestari takes soil and leaf samples regularly to ensure the elements needed by plants to produce optimally. The results of the analysis of the tested soil and leaves will be the basis for determining the dose of fertilizer in each Estate.
- Fertilization activities that prioritize the principles of being on time, right on target, right dose and right application. In addition, for marginal soils, additional fertilization is given in the form of the application of 42,285 tons of empty bunches in 2021.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application at block F1, F3, E3 and E1 on May 2022 was 12,135 M3.
- Maintenance of cover crops to reduce evaporation (maintain soil moisture). For example planting legumes (*Mucuna bracteata*) and maintenance of soft ferns (*Nephrolepis bisserata*). To all employees, spraying is always conveyed at morning apples not to spray the plants.
- The company's commitment to no longer use herbicides with the active ingredient paraquat since 2016.

Based on the explanation above, it is concluded that the company has a record of implementing good cultivation practices.

**7.4.2**

The company has fertilization procedures, such as Fertilization Procedures in Nurseries (code 011-SOP-AGR), Inorganic Fertilization (code 026-SOP-AGR), Organic Fertilization (code 027-SOP-AGR), and Land Application (028 -SOP-AGR). The procedure includes, among others, Fertilization Planning based on soil and leaf tissue analysis, program preparation, application, and monitoring. The goal is to meet the nutritional needs of plants, good plant growth, contribute organic matter to the soil, and good production. The fertilization program is compiled based on the results of the leaf and soil tissue analysis. Leaf tissue analysis is carried out annually, the last being December 2020. Soil tissue analysis is valid for 5 years, the last collection is December 2020. Soil tissue analysis is to check the physical properties of the soil, while leaf tissue analysis is to determine the content of N, P, K, Mg, Ca, B, Cu, Zn.

The company has analyzed leaf tissue and soil samples by PT. Central Alam Resources Lestari on November 2, 2021 as many as 124 leaf tissue samples and 82 soil samples. For soil analysis, several items were examined, including pH, Organic Carbon (C), Total Nitrogen (N), C/N ratio, Potassium (K), Magnesium (Mg) and Calcium (Ca). For leaf analysis, the items examined were N, P, K, Mg, Ca, B, Cu and Zn. The results of the analysis of leaf tissue and soil are used as the basis for making fertilizer recommendations.

**7.4.3**

The company shows a record of the realization of empty bunch at PT Gandaerah Hendana until December 2020 and 2021, with details:

Location	Empty Bunch			
	Year 2020		Year 2021	
	Areal (Ha)	Tonnage	Areal (Ha)	Tonnage
PT.Gandaerah Hendana	10,575.19	56,141	10,575.19	42,285

The company also shows a record of the realization of palm oil liquid waste (POME) applications in December 2021 of

15,233 M3 and in May 2022 of 12,135 M3.

#### 7.4.4

The company shows the recording of the recommendation report and the realization of fertilization for the January - December 2021 period is in accordance with the dose. For example in the Fertilization Recommendation and Realization Report for the period January – December 2021 at PT Gandaerah Hendana as follows:

Type of Fertilizer	Recommendation	Realization	Achievement
	Kg	Kg	(%)
Dolomit	1,187,529	963,942	81.2
RP	2,379,684	2,155,447	90.6
Urea	2,701,712	2,516,329	93.1
MOP	3,034,176	2,806,708	92.5
Kisrite	758,546	713,602	94.1

From the results of document verification of the realization of PT Gandaerah Hendana fertilization, it was concluded that the realization of fertilization was in accordance with the recommendations and the fertilization plan for 2021 had been completed by the company as a whole based on the fertilizer recommendations set.

**Status: Comply**

#### 7.5

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

#### 7.5.1, 7.5.2 & 7.5.3

The results of the RePProt data study (1987) that the distribution of soil types in the oil palm plantation area of PT Gandaerah Hendana consists of 2 types, namely tropohemics and troposaprist, with the distribution of soil types as follows:

- Tropohemism troposaprist tropofebrist; Freshwater oligotropic dome with peat depth of 0.5-> 2 meters, covering an area of 5,718.64 hectares.
- Troposaprist Humitropetts Dystopetss; Flat acidic coarse sedimentary rock plains (slopes <3% slightly incised, covering an area of 7,295.15 Ha.
- Paleudults; The plain, coarse acid sedimentary rock is flat to wavy (slope <8%) slightly incised, covering an area of 1,508.14 ha.
- Tropodults; The flat, flat to wavy, coarse sedimentary rock plains (slopes <8%) are slightly incised, 153.11 Ha.

Based on the document review, it is known that the company owns marginal and fragile land planted with oil palm in the form of peat with an area of 5,718.64 Ha.

The results of field observations at Block I15 Division 7 Estate 2 showed that replanting was carried out in a flat area. This is in accordance with the study of the PT Gandaerah Hendana Topographic Map document at a scale of 1: 90,000, update April 27, 2021, that the slope class is 0 - 8%. The unit of certification states there is no new planting, but replanting.

**Status: Comply**

#### 7.6

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

#### 7.6.1

The results of the RePProt data study (1987) that the distribution of soil types in the oil palm plantation area of PT Gandaerah Hendana consists of 2 types, namely tropohemics and troposaprist, with the distribution of soil types as follows:

- Tropohemism troposaprist tropofebrist; Freshwater oligotropic dome with peat depth of 0.5-> 2 meters, covering an area of 5,718.64 hectares.
- Troposaprist Humitropetts Dystopetss; Flat acidic coarse sedimentary rock plains (slopes <3% slightly incised,

covering an area of 7,295.15 Ha.

- Paleudults; The plain, coarse acid sedimentary rock is flat to wavy (slope <8%) slightly incised, covering an area of 1,508.14 ha.
- Tropodults; The flat, flat to wavy, coarse sedimentary rock plains (slopes <8%) are slightly incised, 153.11 Ha.

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#### 7.6.2

The company shows the Minutes of Payment for the results of the work of land clearing to replanting No.2021-KBN 1 RPL-BAPP II dated November 8, 2021 at Estate 1, with a mechanical system that includes chipping, root removal and hole making (hole in hole), trenching, stacking and compacting, construction of 55,672 Mtr field drains, and 55,062 Mtr close ended conservation trenches and hole in hole planting holes.

The results of field observations in the *TBM 1* Planting Year 2022 area block I17 Division 7 Estate 2, it is known that ditches have been made and planting nuts and in some *TM* and *TBM* areas have been equipped with water management such as water gates 28 units, water reservoirs 22 units, and box culverts 43 units.

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

#### 7.6.3

The company shows records and maps of land management that are in accordance with topographic conditions, including those listed in the following documents:

- PT GH Concession Map with a scale of 1:80,000. The map explains the name of the block, the road block, the boundaries of Division, the ditch, the river, empalcement, Mill, nurseries and offices.
- PT GH Water Management Realization Map with a scale of 1:90,000. The map describes data on the distribution of water management infrastructure and fire towers.

Based on interviews with management representatives, document review, and field observations, it is known that the company has records and maps of land clearing and arrangement according to topography and requirements in environmental permits or *AMDAL/RKL-RPL*.

**Status: Comply**

#### 7.7

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

##### 7.7.1

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

##### 7.7.2

The recording company of the peat land inventory document that was sent to the RSPO on 18 May 2022, which describes the area of peat land in the company's operational area of PT Gandaerah Hendana, the reported peat land is divided into two parts, namely certified and uncertified peat land, namely:

Criteria peat land	Planted Peatlands (Ha)	Infra, Buildings, etc (Ha)	Conservation (Ha)
Certified Area	5,718.64	527.1	11.95
Uncertified Area	585.05	50.93	-
<b>Total</b>	<b>6,303.69</b>	<b>578.03</b>	<b>11.95</b>

**7.7.3**

The company shows the recorded results of measurements and observations of peat subsidence in HGU areas where oil palm plantations are being planted, with the following explanation:

- The company has 24 subsidence poles (1.04 poles/240 Ha) with details of 15 stakes installed from 2014 and 9 stakes installed in 2021. Based on the document of peat subsidence measurements, it is known that subsidence measurements are carried out 4 times a year, and peat soil subsidence is obtained from 2014 – 2021 (7 years) from the average of 15 measuring instruments for peat subsidence, it is 15.4 Cm (still below the standard regulation of Minister of Environment Regulation No. 7 of 2006 which is < 35 Cm/5 years). The following are examples of some of the results of peat subsidence measurements in 2021:

Div	Block	Until 2020 (Cm)	2021				Subsidence 2021 (cm)	Subsidence 2014 - 2021 (cm)
			Jan	Apr	Jul	Oct		
I	Y.33	17,5	17,5	18	18,5	19	1.5	19
I	X.29	10,5	10,5	flood	10,5	11	0.5	11
IV	I.27	11,5	11,5	12	12	12	0.5	12

- The results of field observations revealed that the subsidence stakes in Division 7 block I13 were installed according to the coordinates and the results of the measurement of peat subsidence in June 2022 were 6 cm (still the same as the last measurement in April 2022).

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

**7.7.4**

The company shows the SOP for planting on peat land which is listed in:

- Stake, Hole and Planting Procedure (016-SOP-AGR) effective 5 May 2014, which describes the techniques for planting, planting holes in peatlands, transportation and distribution of seeds and planting techniques.
- Water Management Procedure (018-SOP-AGR) effective 5 May 2014, which explains, among others:
  - The water level sign is installed on the box culvert or using wooden/iron or paralon pegs with a diameter of 10 - 15 cm which is equipped with a water depth measurement
  - The water level in the peat area is maintained at a level of 50 -70 cm from the soil surface
  - Piezometer to monitor the water level in the peat area is placed at a ratio of 1: 25 – 50 ha

The company shows the recorded results of measurements and observations of peatland management in HGU areas where oil palm plantations are being planted, including:

- Documents resulting from the measurement of ground water level in May 2022, namely Estate 1 with an average water level of 40 cm below the ground surface, Estate 2 with an average water level of 46 cm below the ground surface and Estate 3 with an average water level of 46 cm below the ground surface. 44 cm of water below ground level. The results of field observations in Block E27 Division 3 are known to be 40 cm below ground level.
- The company also shows a map of the realization of water management at a scale of 1:90,000 which informs the number and distribution of water management facilities, such as 43 units of box culverts, 28 units of water gate, and 22 units of water reservoirs. In addition, there is also a peat subsidence observation map and a 1:90,000 scale piezometer that informs the distribution of peat subsidence stakes of 24 units (15 installation units in 2014 and 9 new installation units in 2021) and a piezometer of 219 units.

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

**7.7.5**

The company has shown evidence of internal drainability studies on peatlands for preparation for replanting in 2021 in blocks H19, H21, H23, H9, I21, I23, J11, J19, J21 and J25 which were made and approved on 27 December 2020 by the Senior Manager, the study was carried out at a peat depth of more than 250 cm with the following classification method:

- Class 1 (Good): where the water in the peat area can be drained by gravity even at the highest river water level.
- Class 2 (satisfactory): where the water in the peat area, the water in the peat area can be drained with a gravity system > 50% of the tidal cycle of the river water level.
- Class 3 (poor): where the water in the peat area, the water in the peat area can be drained with a gravity system < 50% of the tidal cycle of the river water level.
- Class 4 (very poor): where the excess water in the peat area cannot be drained by gravity even at the lowest tide.

The company conducted a peat drainage study from 2018-2022 using the company's internal/self-assessment method and has not calculated the Drainage limit time (DLT) in years. In accordance with the provisions in the RSPO Drainability Assessment Procedure, it is stated that at least five years before replanting or for plants in peat areas that are 15 years old, an initial Drainability Assessment is carried out using an internal self-assessment method approved by the RSPO or using an assessment determined by the RSPO.

Based on the Internal drainability study, the following results were obtained:

Block	Peat subsidence measurement (2015-2020)	Peat subsidence measurement results (Cm)	Subsidence average (Cm)	Water level (Cm)	Top river water level (Cm)	Low river water level (Cm)	River water level when measuring (Cm)
H19	6	14.5	2.4	50	120	35	56
H21	6	14.5	2.4	51	115	38	58
H23	6	14.5	2.4	48	110	35	57
I19	6	14.5	2.4	45	115	28	58
I21	6	14.5	2.4	45	109	25	56
I23	6	14.5	2.4	52	112	27	57
J19	6	14.5	2.4	50	110	27	56
J21	6	14.5	2.4	42	112	29	56
J25	6	14.5	2.4	45	112	28	57
J11	6	14.5	2.4	55	120	30	62

Referring to the classification, it is known from the results of monitoring the peat soil level, river water level, peat depth and the results of subsidence measurements, the following conclusions are obtained: blocks H19, H21, H23, I23, I19, I21, J19, J21, J25, and J11 belongs to class 2 or has fairly good drainage where when there is excess water on the ground surface it can still be well drained by gravity >50% of the tidal cycle. On this basis, Block H19 still has the feasibility for replanting.

#### 7.7.6

The company shows a map of the realization of water management at a scale of 1:90,000 which informs the number and distribution of water management facilities, such as 43 units of box culverts, 28 units of water gate, and 22 units of water reservoirs. In addition, there is also a peat subsidence observation map and a 1:90,000 scale piezometer that informs the distribution of peat subsidence stakes of 24 units (15 installation units in 2014 and 9 new installation units in 2021) and a piezometer of 219 units. Based on the document, it is known that the company has fulfilled the number of subsidence stakes of 1.04 stakes/240 Ha (standard 1 stake/240 Ha) and the number of piezometers of 4.5 units/120 Ha (standard 1 unit/120 Ha).

The company shows recorded results of measurements and observations of water level in several locations, such as:

- Documents resulting from the measurement of the water level of the canal in May 2022, namely Estate 1 with an average water level of 40 Cm below ground level, Estate 2 with an average water level of 46 Cm below ground level and Estate 3 an average water level. 44 cm of water below ground level. The results of field observations in the E27 Division 3 block are known to be 40 cm below ground level. Based on these documents, it is known that the average

water level is still below the standard threshold, which is an average of 60 cm.

- Documents of measuring ground water level using a piezometer in May 2022, namely Estate 1 average ground water level 41 Cm, Estate 2 average groundwater level 46 Cm and Estate 3 average groundwater level 45 cm. Based on these documents, it is known that the average water level is still below the set standard, which is 50 cm.

The results of observations in several areas show that the company already has water management in good condition, such as a water gate for setting the groundwater level in block F19, and measuring ground water level with a piezometer in block H17.

Based on the results of field visits, interviews, and document review, it is known that the company has documented the recording of the application of planting on peatlands by observing and adjusting the water level according to the standard threshold that has been set.

#### 7.7.7

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

	<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 company has identification on water course within its operational area in HCV document and there is also water management plan covered in HCV management plan, environmental management plan document (RKL-RPL document) and procedure no. 022-SOP-ISP dated 10 February 2015 revision 1. Among other the plan covers determination of riparian area border, protection of riparian area by not conducting chemical spraying and tree enrichment. The action taken among other by testing periodically river water quality, monitoring volume of water use, applying treated mill effluent to permitted land application.

##### 7.8.2

Based on field visit results in Punak Riparian Block AA47 and Block AA49 Estate 1, acquired information that company showed proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Company has identified and shown the maps for catchment areas (including riparian) with a 1:50.000 scale. HCV identification document showed there is some river flow on estates such as Simpang Rono River, Soni River and Seko Hilir River.

Company has been managing and monitoring river conditions by marking riparian and testing river water quality every 6 months. There are thirteen locations for water quality monitoring at namely:

- Soni River, 100 m upstream & downstream
- Soni River, 100 m
- Merbau River left
- Kerumutan River upstream & downstream
- Tobe River upstream & downstream
- Bombang River upstream & downstream
- Seko River upstream & downstream
- Andan River upstream & downstream

Based on document verification, all the parameters of surface water testing accordance of environmental quality standards as stipulated in Government Regulation No. 22 od 2021.

##### 7.8.3

All palm oil mill effluent produced by Gandaerah Hendana Palm Oil Mill are processed at waste water treatment plant before it distributed to estates as land applications. This pome applications were conducted based on decree of



Pelalawan regent No KPTS.503/BPMP2T-PLY/42/2016 23 December 2016 valid 5 years. Company has shown result of coordination with Environmental Agency of Pelalawan Regency on 17 January 2021 which was stated that land application permit is still valid whether there is no change of previous land application permit based on recent government regulation. Company has shown Letter No. 564/LGL/GH-PKU/XI/2021 in 10 November 2021 to Environmental Agency and One-Stop Integrated Service and Investment Service of Pelalawan Regency on 11 November 2021 which showed that company has sent previous land application permit which has no changed.

POME quality testing document review shown for January-May 2022, all of POME testing parameters are compliant to the standards quality (for examples BOD on February 2020 are 241,6 mg/l with threshold 5000 mg/l and pH 8,25), and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 months.

#### 7.8.4

Based on document verification result, company routinely water use monitoring in mill available under document procedure of water treatment plant. Water consumption monitored by using flowmeters installed in the piping system of WTP. According to water use data in the last period January-December 2021 average water used for processing still below the determined budget (1.28 m<sup>3</sup>/ton FFB while the budget is 1.55 m<sup>3</sup>/ton). The overall use of water under the budget of the company.

**Status: Comply**

#### 7.9

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

##### 7.9.1

Plan for improving efficiency of the use of fossil and optimize renewable energy were available, implemented and monitored refer to *Prosedur Mitigasi Gas Rumah Kaca* (GHG procedure) Ref No. 023-SOP-ISP dated on 02 January 2014. Company has already maximized the use of renewable energy (fiber & shell) as boiler fuel. For example, based on document verification, usage of shells and fiber period January to December 2021 has produces 6,031.40 kWh of electricity from the turbine, while electricity generated from diesel fuel 1,907.10 kWh. Efficiency of renewable energy use per ton of palm product in the mill is 0.14 KWh/MT CPO, while the result Direct fossil fuel used is 0,05 KWh/MT CPO.

**Status: Comply**

#### 7.10

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

##### 7.10.1

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

Fossil fuel reduce in Gandaerah Hendana POM have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods January until May 2022 shown that all of wastewater testing parameters is compliant to the standards quality. Based on document verification result, accurate data has been put into the RSPO palm GHG Calculator including pesticides usages monitoring, diesel fuel monitoring, HCV identification etc. The calculation of GHG and its monitoring has been conducted by the EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Gandaerah Hendana POM and its supply base is listed for period 2021 with Palm GHG calculation options apply full version as shown below.

##### Summary Emission

Emmision per product	tCO2e/tProduct
CPO	9.87
PK	9.87

Production	t/yr
FFB processed	224,612.17
CPO produced	42540,685
PK produced	10358,6

Extraction	%
OER	18.94
KER	4.61

Land use	Ha
Planted area	11110.09
Planted on peat	6303.70
Conservation Area Forested	52.07
Conservation Area Non-Forested	0.00

**Summary of Field Emission And Sinks**

Description	Own		Group		3rd Party		Total
	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	
Emission Source							
Land conversion	72672.34	0.38	0.00	0.00	0.00	0.00	72672.34
CO2 emissions from fertilizer	9921.32	0.05	0.00	0.00	0.00	0.00	9921.32
N2O emissions from Peat	47187.84	0.25	0.00	0.00	0.00	0.00	47187.84
N2O emissions from Fertilizer	7909.75	0.04	0.00	0.00	0.00	0.00	7909.75
Fuel consumption	2744.18	0.01	0.00	0.00	0.00	0.00	2744.18
Peat oxidation	344180.95	1.80	0.00	0.00	0.00	0.00	344180.95
Sinks							
Crop sequestration	-93038.50	-0.49	0.00	0.00	0.00	0.00	-93038.50
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	391577.88	2.04	0.00	0.00	104148.64	0.00	495726.52

**Summary Oil Mill Emissions and Credits**

Remarks	tCO2e	tCO2e/t FFB
<b>Emissions sources</b>		
POME	30513.59	0.14
Fuel consumption	848.75	0.00
Grid electricity	4.88	0.00

Credits		
Export of grid electricity	-1.54	0.00
Sales of PKS	-4828.08	-0.02
Sales of EFB	0.00	0.00
Total	26537.60	0.12

**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

**7.10.2 & 7.10.3**

Until this assessment was conducted, no new planting activities above 15 November 2018, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1993 to 2016. The planting years of 2018 and 2019 were replanting activities.

Company has identified pollutions and emissions sources of Gandaerah Hendana POM for the period 2020, 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 2019, 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 of Semester II of 2021 Report. Fossil fuel reduction in Gandaerah Hendana 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, 7.12, 7.11.3**

Company has a procedure Replanting Procedures (Document No. 015-SOP-AGR) which has been in effect since May 5, 2014, and is approved by Chief Operation Officer (COO). This procedure has described zero burning for replanting activities. Zero-burning policy has been developed and listed on the circular of COO dated 16 July 2018 to the General manager. Based on field visit result, there is no evidence of the burning of land in the operational area was visited by the auditor.

During this audit, company do not conduct any new development. Company has documents on the implementation of prevention, control, fire monitoring, and maintenance of facilities and infrastructure as well as reporting to government date 25 February 2022. Company has a firefighter facility and teams in accordance with Agriculture Ministry Decree No. 5 in 2018.

Company has involved stakeholders on locations border operational areas as an effort to prevent and control fires through socialization and simulation of land fires on First Semester of 2022 involving nearest community namely "Kelompok Tani Peduli Api".

**Status: Comply**
**7.12**

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

**7.12.1**

There are no new planting activities above 15 November 2018 in this assessment. Company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1993 to 2016. The planting years of 2018 and 2019 were replanting activities.

**7.12.2**

The status of rare, threatened or endangered species that exist in the plantation or that could be affected by plantation or mill management, has identified and operations managed to best ensure that they are maintained and/or enhanced as showing in document of HCV identification including its maps conducted in 2014 by PT. Sonokeling Akreditasi Nusantara. Assessment team are led by RSPO Approved HCV Assessor. Total HCV area mentioned in report are 2,991.35 ha consist of peat area (2,926.73 ha), rivers buffer zone (50 ha), reservoir buffer zone (13.90 ha) and local identity (0.50 ha).

PT Gandaerah Hendana's HCV re-identification results that included the actual conditions of the company including the normalization of river flow in the PT Gandaerah Hendana operational area in 2018. The assessment was carried out by PT Sonokeling Akreditasi Nusantara, which was chaired by ALS HCV Assessment in the identification carried out. Revision of HCV identification refers to the common guidance for identification of HCV 2013. With the determination of HCV area of 52.07 ha.

PT Gandaerah Hendana Area HCV Determination Decree No. SK 167/SUS/GH-PKU/II/2019 per 25 February 2019 by the management of PT Gandaerah Hendana represented by the company's COO for the HCV area is 52.07 ha in accordance with the revised results of HCV identification.

**7.12.3**

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

**7.12.4**

Company has developed matrix on HCV management plan in 2021-2022 consist of rare, threatened or endangered species, rivers buffer zone, reservoirs buffer zone and local identities. Company also has issued a control any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts policy on 29 March 2018. This policy was developed by stakeholders participate. The management plan 2021-2022 that includes appropriate management and monitoring to maintain HCV attributes and RTE species. The management plan has contained type of activities, timeline, PIC and location.

Company established HCV management plan to maintain the HCV areas in operation area of PT Gandaerah Hendana, listed on Management plan HCV 2021 documents. HCV management and monitoring implemented that taken by the management unit such as 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.

Evidence for workforce educations related to RTE species are available and verified by auditors' team. For example, socialization has been conducted to workers and for nearest community on 10 November 2021 and 13 June 2022 which were attended by 16 participants. Company has implemented the HCV management in accordance with the management plan/ procedure for the period 2021. The management plan is reviewed every year, for example, the review on period 2021 involved government, village heads, community leaders, traditional leaders, tribal heads, local communities around the operational area.

**7.12.5 & 7.12.7**

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.

As the results of 2021 HCV management and monitoring output, company has plan feed back into the management plan 2021 i.e conduct water quality testing and the effectiveness of RTE species monitoring.

Field visit during an audit, it showed that company showed proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Company has identified and shown the maps for catchment areas (including riparian) with a 1:50.000 scale. HCV identification document showed there is some river flow on estates such as Simpang Rono River, Soni River and Seko Hilir River.

Management plan period 2021 is effectively and implemented based on the monitoring result implementation period 2020. The enhancement and result of the HCV/RTE monitoring review for the next HCV program. Review of 2021 program, will become an HCV program in 2022.

#### 7.12.6

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. Result of RTE species monitoring summary results on semester 2 2021, there is found Sumatran Tiger (*Panthera tigris sumatrae*) footprint in PT Gandaerah Hendana. Result of monitoring also reported to government institution every semester. For example, company has reported HCV and RTE monitoring in Second Semester of 2021 BKSDA of Riau Province on 16 February 2022. Company has also shown several RTE handling evidence of encounter of Sumatran Tiger (*Panthera tigris sumatrae*) footprint, as shown below.

- SOP for Mitigation of Wildlife Conflict No. 043-SOP-ISP dated January 2, 2014 which was approved by Chief Finance Officer and Chief Operation Officer. Based on this procedure, mitigation is carried out starting with the delivery of information to existing institutions (such as villages, sub-districts, offices, or forestry service posts/BKSDA) orally or in writing, initial inspection and conflict assessment, analysis of conflict risk levels, and handling of animal conflicts. wild by considering both parties (humans and animals) in a disadvantaged situation. Handling is done by:
- Minutes of Wild Animal Footprints Encounter on 19 August 2021 in Blocks Z43, AA43, and AA45 Division I Estate I. The footprint of wild animal was found by a patrol officer at 06.00 in Block Z43 and headed straight for Block AA43 reported to the office of Division I Estate I.
- Notice of Wild Animal Footprints Encounter and Result of Visit from BKSDA to PT Gandaerah Hendana on 22 August 2021. The letter contains the results of a visit from the BKSDA on 20-22 August 2021 to PT Gandaerah Hendana which shows that BKSDA plans to install camera traps in the crossing paths for the wild animals, which will be the responsibility of the company, installation of the signboard by the company. And socialization to employees regarding vigilance against wild animals and the prohibition of installing signboard for RTE species.
- Socialization to employees during the morning rally in Division 1 and Division 2 which was attended by 28 workers.
- Letter of Assignment No. ST.202/K.6/BKWI/PEG.3.0/08/2021 from BKSDA Region I Rengat on 20 August 2021 regarding to BKSDA implementing forestry officer on duty 20-22 August 2022.
- Request letter to follow up on the results of the visit of the BKSDA Team from SPO Officer of pT Gandaerah Hendana to the COO on 21 August 2022. This is related to the request for camera traps for monitoring wildlife. This is in line with the Application Letter for Ordering Camera Trap on September 6, 2021 from Asmen SPO to the Senior Manager. Currently, camera traps are available at the company for monitoring.
- Minutes of the installation of a wild animal warning signboard on 31 August 2021 which was carried out by 1 unit in each Block AA43, Block AA41, Block AA45, Block Z43, and Block Z45 Division I Estate I.
- Minutes of wildlife socialization on 31 August 2021 conducted by BKSDA Team to Kerumutan community, staff, employees and security of PT Gandaerah Hendana which was attended by 30 participants.
- Minutes of Socialization to Employees regarding the prohibition of hunting wild animals within the company's scope at PT Gandaerah Hendana on 5 April 2022, which was attended by 51 employees.
- Minutes of Socialization to Community regarding HCV management on 10 November 2021 to 16 participants consisting of communities, suppliers and cooperative farmers.
- Minutes of Socialization to Contractors regarding HCV Policy, prohibition on hunting and OSH on 13 June 2022 to 16 contractor workers.
- Minutes of Socialization to Community regarding the prohibition on hunting, setting snares, and poisoning fish in canals and rivers on March 31, 2021 to 68 participants, including KTPA, the people of Seluti Village, Pasir Ringgit

Village, Rendang Seko Village, and Lirik District.

Based on interviews with employees and the results of public consultations with the surrounding community, it is known that the company has understood the existence of RTE species, both employees and the community can mention the types of RTE species that are in the plantation area of PT Gandaerah Hendana. Program to regularly educate the worker about the status of RTE species explained on management and monitoring implementation report HCV semester 2 of 2021. Afterward, the installation of signboards containing RTE species information appeals and prohibitions in accordance with Indonesia regulation

**7.12.8**

Based on the results of the disclosure of the area of PT. GH carried out by RSPO has stated that there is no liability in it. Based on RSPO e-mail dated 13 August 2018.

From the results of the document review, it was found that there were planting year after November 2005 but based on interview the planting year after November 2005 was replanting in unproductive block. HCV company identification was carried out in 2014. Based on the document review, the company must be able to present data on land cover change analysis and report to the RSPO Compensation Department if land clearing is carried out after November 2005 without preceding HCV identification.

**Status: Comply**



**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-3</b>	The company didn't use logo and trademark of RSPO.	√
	<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-3</b>	The company didn't use logo and trademark of RSPO.	√
	<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-3</b>	The company didn't use logo and trademark of RSPO.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>ASA-3</b>	The company didn't use logo and trademark of RSPO.	√
	<b>Status: Comply</b>	

### 3.3 Summary of RSPO Partial Certification.

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

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

MUTU has verified partial certification for un-certified unit's subsidiary of S&G Biofuel based on their Time Bound Plan. . There are three (3) uncertified management unit of S&G Biofuel. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are no significant land conflicts which have not been declared above
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.
- Auditors verify via the internet to look for issues related to units that have not been certified. From the results of the review, the units that have not been certified are still experiencing problems related to the acquisition of land rights. the company has followed up on occupational issues by applying for the release of HGU which the auditor has described in the summary of indicators 4.4.1.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company statement :</b> The company are already doing internal audits.</p> <p><b>Auditor verification:</b> Yes, internal audit conducted every year.</p> <p>Positive assurance is produced for these units.</p>
2.1.2	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)	<p><b>Company statement:</b> The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p><b>Auditor Verification :</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>company statement:</b> There is no new planting after 2010. The last new planting was conducted on 2009</p> <p><b>Auditor Verification :</b> The company didn't conduct new land clearing</p>

		after 2010.
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>Company statement:</b> There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p><b>Auditor verification :</b> The company has procedure for resolving external conflicts which explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p>
2.1.5	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>Company statement:</b> There is no labour disputes</p> <p><b>Auditor verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Complaints Handling (No. Documents: 007-SOP- HRD validity date 03 January 2018). This procedure also protect the whistleblower's identity (anonymity) relating to or relating to the security of each complainant and also concerning information - information provided by the complainant</p>
2.1.6	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).	<p><b>Company statement:</b> PT Inecda is still on progress to obtain HGU for an areal 135.65 Ha and PT Gandaerah still on progress to obtain HGU for an area covering 765.80 Ha</p> <p><b>Auditor verification :</b> PT Inecda has compensate the land on 2015 and now on process to obtain the HGU.</p>

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

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1 and ASA-2 Assessment

NCR No.	:	2021.01	Issued by	:	Satria Adi Putra
Date Issued	:	30 April 2021	Time Limit	:	Next Surveillance
NC Grade	:	Non-Critical	Date of Closing	:	14 May 2021
Standard Ref. & Requirement	:	6.2.7 Permanent workers are employed for all major work performed by the unit of certification. Temporary workers and casual daily workers are limited to work of a temporary or seasonal nature.			
<b>Evidence observed (filled by auditor):</b> Based on the results of field visits and document review, it is known that: <ul style="list-style-type: none"><li>- Based on the results of a field visit on the FFB sorting activity in Gandaerah Hendana POM, it is known that the worker is a contractor employee (PT Pandawa Satria Nusantara).</li><li>- Cooperation Agreement for the Provision of Sorting Workers between PT Gandaerah Hendana and PT Pandawa Satria Nusantara No.029/PSN/II/2021 dated February 25, 2021.</li><li>- GAPKI Letter No: SK/002/PPG/II/2013 dated February 8, 2013 regarding the Work Implementation Process Flow in the Oil Palm Plantation Business Sector, decided that harvesting and processing of fruit into CPO is the main activity.</li><li>- Law No. 13 of 2003 concerning Manpower Articles 64 and 65 regarding the submission of part of the implementation of work to other companies.</li></ul>					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to demonstrate that permanent workers have been employed for all the main work performed by the unit of certification.					
<b>Root Cause Analysis (filled by organization audited):</b> Violations of the code of ethics committed by employees working in the Sorting Section (which led to a drastic drop in yields) led Top Management to overhaul and replace all sorting employees by using outsourcing workers (PT. Pendawa Satria Nusantara).					
<b>Correction (filled by organization audited):</b> Submitting a letter of coordination between the Company's HRD and the Riau Province Manpower Agency, regarding the Clarification of the use of Outsourcing for the type of work in FFB Sorting & Workshop.					
<b>Corrective Action (filled by organization audited):</b> HRD Dept will ensure that all work submitted to third parties or outsourcing companies will be guided by PP No. 35 of 2021 concerning Work Agreements for Certain Time, Outsourcing, Working Time and Rest Time and Termination of Employment.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 14 May 2021</b> The company has shown Letter No. 234/HRD/GH-PKU/V/2021 dated 7 May 2021 to the Riau Province Manpower Agency regarding Clarification of the Use of Outsourcing for Fruit Sorting Jobs and Workshops.  Based on the results of the response from the Department of Manpower and Transmigration of the Riau Province					

Government, there are 2 things, namely:

- Sorting and Workshop work as intended that is a supporting work that does not hinder the production process or is not directly related to the production process
- If the work is intended to be handed over to a third party or an outsourcing company, it is obligatory to follow PP 35 of 2021.

Based on the proof of improvement that was sent and considering the letter from the Riau Province Manpower Agency, the non conformity No. 2021.01 is declared to have been fulfilled.

**Verified by** : **Satria Adi Putra**

<b>NCR No.</b>	<b>: 2021.02</b>	<b>Issued by</b>	<b>: Satria Adi Putra</b>
<b>Date Issued</b>	<b>: 30 April 2021</b>	<b>Time Limit</b>	<b>: 29 July 2021</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: 7 June 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.7.3</b> <b>Workers use appropriate Personal Protective Equipment (PPE), and it is provided free of charge to all workers in the workplace, as protection in all operations that have potential hazards, such as pesticide application, machine operation, land preparation and harvesting. Sanitation facilities are available for workers who use pesticides so that workers can remove PPE, clean themselves and put on their personal clothes.</b>		

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

Based on the results of field visits and document review, it is known that:

1.
  - SOP No. 013-SOP-ISP Rev 00 dated January 2, 2014 states that the company strives and requires that when returning home all spray workers must be in a clean, healthy condition and at least not contaminated by the poison used when he was working.
  - Point 6.2.1 H-I states that after further washing the washed uniforms are dried by hanging on the clothesline provided. After drying, the washer puts the uniform in the locker of each sprayer so that it can be used the next day.
  - Based on the results of a field visit to Estate 3 (BUS) it is known that there is a difference between the amount of PPE stored and the number of chemical handlers. In addition, based on the results of interviews with field visit companions, it is known that workers' PPE is stored in workers' homes.
2.
  - HIRADC document related to circle control activities - weed control (updated January 2, 2021) point action plan states PPE consists of Shoes, Work Clothes/Overall, Glasses, Rubber Gloves and Masks.
  - In addition, based on the results of field visits (BUS) Estate 3 and interviews, it is known that the pesticide mixing workers have not used respirators (giving to sprayers) and face shields.

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

The company has not been able to show that PPE is available and adequate in accordance with its designation for workers.

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

1. Socialization of SOP No. 013-SOP-ISP regarding the Management of Bathrooms, PPE Washing and Spray Uniforms is still lacking and not yet effective, so that implementation in the field is not going well. Likewise, the supervision of each activity in the BUS (spray unit building) has not been carried out properly.
2. Socialization of SOP No.019 regarding PPE Management is also still lacking and not yet effective, as well as monitoring the use of PPE has not been carried out properly.

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

- Asking workers who have stored their PPE at home, to return and store the PPE in the BUS (Spray Unit Building).
- Provide respirators and face shields for pesticide mixing workers.

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

- Disseminating SOP No.013 - SOP - ISP to all Spray Teams ; Establish a PIC to supervise and monitor all activities in the BUS carried out properly and according to SOPs, including the storage of PPE / worker uniforms; Make restrictions such as workers are prohibited from bringing leftover poison, poison containers and PPE to the house.
- Disseminating SOP No.019 - SOP - ISP regarding PPE Management to all Spray Teams (delivering prohibitions and obligations that must be obeyed by workers); Distributing PPE to employees, if there are employees whose PPE has not been provided; apply undisciplined sanctions for workers who do not use PPE or violate the OHS Rules.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verify June 7, 2021**

The company has shown evidence of improvement including:

- Minutes of the handover of PPE on April 29, 2021 to the Pesticide Mixing Foreman. Documentation is also provided in the form of photos and submission forms.
- Minutes of repairing non-conformances on the RSPO ASA 2 field visit and ISPO Recertification on 18 May 2021. Corrective actions include socializing SOP 13 regarding the management of the Spray Unit Building to the entire spray team, socializing SOP 19 regarding PPE management, simulating the utilization and use of the spray unit building in accordance with SOP 13 and create a PIC structure that is responsible for the management of the Spray Unit Building. (Photos related to the socialization and structure of the person in charge of the Spray Unit Building are attached)
- Minutes of return of PPE on April 29, 2021.

Based on the proof of improvement sent, the non-conformance No. 2021.02 is declared to have been fulfilled and will be observe at the time of the next visit.

**Verified by** : **Satria Adi Putra**

NCR No.	:	2021.03	Issued by	:	Radytio Puspanjana
Date Issued	:	30 April 2021	Time Limit	:	Next Surveillance
NC Grade	:	Non - Critical	Date of Closing	:	12 June 2021
Standard Ref. & Requirement	:	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.			
Evidence observed (filled by auditor):					
<ul style="list-style-type: none"><li>- The company has hazardous waste management SOP 012 – SOP – ISP revision 00 effective January 2, 2014 which explains that all hazardous waste generated from hazardous waste generation sites is stored on licensed hazardous waste storage in estate and mill.</li><li>- Policy-related hazardous waste management at Mill dated April 28, 2021, explained the PIC who is responsible for managing of the log data hazardous waste generated from the hazardous generation site.</li><li>- Minutes of letter the socialization related to domestic waste management, hazardous waste and non-burning activities to employees on Mill housing complex April 29, 2021.</li></ul>					



- Management review of interim RSPO audit findings on 28 April 2021 which explains the improvement efforts made regarding the results of field visits at the mill.
- Minutes of hazardous waste transported from Mill housing complex and Mill operation area on April 29, 2021.
- The results of the field visit on ASA-2 audit was carried out obtained information that hazardous waste was located inappropriately, for example:



The side area of the Mill fuel tank



Hazardous waste of water purifier used container



- Base on field visit on Estate 2 obtained information that there was hazardous waste used for pesticide packaging, used fertilizer sacks and hazardous waste contaminated with oil which was placed in an inappropriate manner.

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

The company has not been able to show evidence that the evidence of hazardous waste disposal is in accordance with procedures and has been fully implemented by workers.

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

The hazardous waste management system in the Mill and Estate still not consistently, the implementation of SOPs or policies related to hazardous Waste Management is still not appropriate, the supervision or monitoring system has not worked well.

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

The carrying out sweeping/inspection of hazardous waste throughout the Mill and Estate area, both work area and employee housing complex and storing hazardous Waste into a licensed hazardous Waste Temporary Storage.

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

Improving the hazardous waste management system in either the Estate and Mill, consist of:

1. Conduct socialization/training on understanding of hazardous Waste Management to all levels of workers.
2. The General Manager assigns a PIC for hazardous Waste Management in each Section/Station, in which the responsibility of the PIC starts from identifying the hazardous waste generated in the workplace to storing it at the hazardous Waste Storage.
3. The Environmental Staff conducts monitoring and inspection of hazardous waste management in each Section/Station with a predetermined time period and reports the results of the inspection to the General Manager.

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

**Auditor verification 12 June 2021**

The company shown the evidence consist of:

**Mil**

- Letter of appointment of the officer in charge of hazardous Waste management at each processing station issued by the Senior Manager of Mill No Letter 072/GH-POM/V/2021 dated February 2, 2021. Based on the letter, the company has appointed an officer who is responsible for entering the hazardous Waste generated from each station to the hazardous waste storage as soon as possible. Attached is the name of the person responsible for managing hazardous waste.
- PT GH (Mill unit) hazardous waste sweeping and inspection work plan for May 2021. The work plan explains that there is a weekly hazardous waste monitoring schedule carried out by the hazardous waste monitoring team.
- Minutes of hazardous waste management socialization on 22 May 2021, training was carried out for all operators

and staff in the Mill. Attached are training materials and activity attendance.

- Minutes of domestic waste management on May 21, 2021, training was carried out for all operators and staff in the Mill. Attached are training materials and activity attendance.
- Minutes of hazardous waste transporting from Mill on 3 May 2021.
- Minutes of hazardous waste transporting from Mill housing complex on 3 May 2021.

**Estate**

- Letter of appointment of the officer in charge of hazardous waste management in the plantation issued by the General Manager of the estate on May 18, 2021. Based on the letter, the company has assigned an officer who is responsible for entering hazardous waste generated from each area that produces hazardous waste (hazardous warehouse, fertilizer warehouse, solar station and workshop as soon as possible Attached is the name of the person responsible for managing hazardous waste.
- Minutes of hazardous waste transporting from estate II to hazardous storage on Mil dated 3 May 2021.
- Documentation in the form of photos of socialization activities related to understanding of hazardous waste management, SOPs for managing hazardous waste produced by estate to workshop employees, fertilizer & pesticide warehouse employees, fertilizer loading and unloading employees.

Based on the evidence of improvement submitted, it is concluded that the non-conformance Number 2021.03 is declared fulfilled and will be observed in the next audit activity.

**Verified by :** **Radytio Puspanjana**

<b>NCR No.</b>	<b>: 2020.04</b>	<b>Issued by</b>	<b>: Radytio Puspanjana</b>
<b>Date Issued</b>	<b>: 20 April 2021</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Non - Critical</b>	<b>Date of Closing</b>	<b>: 17 July 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.3.3 The unit of certification does not use open fire for waste disposal.</b>		

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

- The company has SOP for domestic waste management No. 015 – SOP – ISP rev. 00 effective date January 2, 2014 which describes the implementation plan for domestic waste management. In point 6.5 (Implementation) it is explained that the company provides special officers to take garbage from the trash cans located in every housing and office and then transport it using the tools (tractors, cars) that have been provided. Officers must pick up and clean up spills, if there are spills when quoting and transporting from housing or office to landfill.
- Minutes of socialization related to domestic waste management, hazardous waste management and non-burning activities to employees at Mill housing complex dated April 29, 2021.
- Management review of interim RSPO audit findings on 28 April 2021 which explains the improvement efforts made regarding the results of field visits at the mill.
- Base on field visit ASA-2 audit was carried out obtained information that there were domestic waste management activities using open burning for the destruction of domestic waste in several site, for example:



Lorry side area	Trash can in front of civil warehouse	Trash can in front of healthy facility (Mill housing complex).
<p>- Base on field visit at the estate 2 housing complex (base camp) obtained information that there are domestic waste management activities using open burning for the destruction of domestic waste.</p>		
<p><b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show evidence that in carrying out domestic waste management it does not use open burning for waste destruction.</p>		
<p><b>Root Cause Analysis (filled by organization audited):</b> The Domestic Waste Management System in Mill and estate is still not running well/consistently, the implementation of SOPs or Policies related to Domestic Waste Management is also not appropriate, the monitoring or monitoring system has not worked well.</p>		
<p><b>Correction (filled by organization audited):</b> The carrying out sweeping/inspection of domestic waste throughout the Mill and Estate area, or traces of domestic waste burning throughout the Mill and estate areas (either in the work area or in employee housing complex).</p>		
<p><b>Corrective Action (filled by organization audited):</b> Improving the Domestic Waste Management system in both the Mill and Estate, consist off:</p> <ul style="list-style-type: none"> <li>- Conduct socialization/training on understanding of Domestic Waste Management to all levels of workers.</li> <li>- Adding warning boards/signboards for the Prohibition of Burning Garbage.</li> <li>- The General Manager assigns a PIC for Domestic Waste Management in each Section/Station, the responsibility of the PIC providing trash bins, socialization, to transporting waste to landfill</li> <li>- The Environmental Staff conducts monitoring and inspection of domestic waste management in each Section/Station with a predetermined time period and reports the results of the inspection to the General Manager.</li> </ul>		
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Auditor verification 17 July 2021</b> The company shown the evidence consist of:</p> <ul style="list-style-type: none"> <li>- Assignment letter for domestic waste management dated February 2, 2021, appointed officers are civil foreman, age foreman and driver.</li> <li>- Minutes of domestic waste management socialization on 29 April 2021, training was carried out for all operators and staff in the Mill. Attached are training materials and activity attendance.</li> <li>- Minutes of domestic waste management, hazardous waste management, and zero burning on May 22, 2021, training was carried out for all operators and staff in the Estate. Attached are training materials and activity attendance</li> <li>- Domestic waste inspection and transportation program which explains the schedule for transporting organic domestic waste (transported on the first Tuesday of the week) and inorganic (transported on the first Wednesday of the week), transportation is carried out once a month.</li> <li>- Installation of a signboard prohibiting waste burning in the Mill area and Mill housing complex on May 31, 2021.</li> <li>- Minutes of domestic waste cleaning activities in the Mill area on April 29, 2021.</li> </ul> <p>Based on the evidence of improvement submitted, it is concluded that the non-conformance Number 2021.04 is declared fulfilled and will be observed in the next audit activity.</p>		
<b>Verified by</b>	:	<b>Radytio Puspanjana</b>

<b>NCR No.</b>	: <b>2021.05</b>	<b>Issued by</b>	: <b>Satria Adi Putra</b>
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<b>Date Issued</b>	<b>:</b>	<b>30 April 2021</b>	<b>Time Limit</b>	<b>:</b>	<b>29 July 2021</b>
<b>NC Grade</b>	<b>:</b>	<b>Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>12 July 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.7.3</b> <b>Peat subsidence is monitored, documented and minimized</b>			
<b>Evidence observed</b> (filled by auditor):  <p>The company already has a procedure or work instruction for planting on peat in the Peatland Management Procedure Document (041-SOP-AGR). However, in this procedure, there is no guideline for installing/laying subsidence stakes as a measurement tool for peat subsidence, which refers to the <b>"RSPO Peatland Working Group meeting on 13-14 September 2018 to clarify potential audit guidance for Criteria 7.7 (as adopted by GA) "</b>. Where the company must have 1 subsidence stake in every 240 ha of peat area. For peat areas with more than 5000 ha, the number of stakes can be reduced from this requirement if the company has justification.</p> <p>From the results of field observations and document review, it is known that the planted area of peat is 5,710.28 Ha, with the number of peat subsidence stakes is 15 stakes. In accordance with the RSPO Peat Audit Guidance (P&amp;C 2018), the installation of subsidence stakes is every 240 Ha so that the need for subsidence stakes is 23.79 (24) stakes. This means a shortage of 9 subsidence stakes which is a non-conformity. In addition, based on the results of interviews, the management has not provided an explanation regarding the number of stakes available.</p>					
<b>Non-Conformance Description</b> (filled by auditor): <p>The procedure for monitoring peat subsidence does not fully comply with the RSPO guidelines.</p>					
<b>Root Cause Analysis</b> (filled by organization audited): <ul style="list-style-type: none"> <li>- The PIC of the peat manager and the company's SPO Department, do not yet understand the latest guidelines from the RSPO regarding peat management, especially the need for subsidence stakes in planting areas on peatlands.</li> </ul>					
<b>Correction</b> (filled by organization audited): <ol style="list-style-type: none"> <li>1. Revise SOP No.041 – SOP – AGR on Peatland Management by adding existing guidelines at the "RSPO Peatland Working Group meeting on 13-14 September 2018 to clarify potential audit guidance for Criteria 7.7 (as adopted by GA)."</li> <li>2. Conduct an inventory of the availability of existing subsidence stakes in the Plantation Unit.</li> <li>3. Make a map of subsidence stakes, and include the locations of existing subsidence stakes and also determine locations for the manufacture of additional subsidence stakes so that the total number of subsidence stakes is a minimum of 24 stakes.</li> <li>4. Making or adding subsidence stakes in planted areas on peat, so that the minimum number is 24 stakes in accordance with the RSPO Peat Audit Guidance (P&amp;C 2018) guidelines.</li> </ol>					
<b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"> <li>- The peat management PIC and the company's SOP Department must keep abreast of the latest information related to the rules submitted by the RSPO, and if there is a discrepancy in the documents or practice in the field, revisions or changes must be made to follow the latest rules/guidelines.</li> </ul>					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Auditor Verification July 12, 2021</b> <ul style="list-style-type: none"> <li>• Revision 01 SOP No. 041-SOP-AGR on Peat Management Procedures, dated 15 June 2021, including monitoring of peat subsidence with monitoring stakes for every 240 Ha planted with oil palm. If the area is more than 5,000</li> </ul>					

Ha, the number of stakes can be reduced with relevant justification and evidence.

- Map of Planned and Realized Peat subsidence observations, with a scale of 1:90,000, updated on 04 June 2021, with map sources including the Planting Block, Riau Province administrative map, and Garmin 76 CSX GPS tracking. The map informs the coordinates of the location of the existing subsidence stakes and the planned position of additional subsidence stakes.
- Minutes of installation of 9 units of peat subsidence stakes and fences, dated 15 June 2021.
- Realization map of peat subsidence observations, with a scale of 1:90,000, updated June 17, 2021, with map sources including the Planting Block, Riau Province administrative map, and Garmin 76 CSX GPS tracking. The map informs the coordinates of the location of the old and new subsidence stakes of 24 stakes.
- PT Gandaerah Hendana's peat subsidence data document for 2021, updated June 21, 2021, legalized by GM.

Based on the verification of the evidence submitted, the 2021.05 non conformity is declared to have been fulfilled by field observations in the next surveillance.

<b>Verified by</b>	<b>:</b>	<b>Satria Adi Putra</b>
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**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment**

<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):					
<b>Non-Conformance Description</b> (filled by auditor):					
There is no non-conformities on surveillance-3 assessment.					
<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. Std.	Description
1	3.4.1	<p><b>For the unit of certification, a social and environmental impact assessment document is available and a management and monitoring plan has been developed with the participation of affected stakeholders.</b></p> <p>The results of field visits and interviews with residents of PKS housing and Kebun, there are livestock (such as chickens, cows, and goats) that roam within the company. The company has presented the following documents:</p> <ul style="list-style-type: none"> <li>PT Gandaerah Hendana's Social Impact Management Program (SIA) 2022, as well as the 2021 Social Impact Management Program and Evaluation (SIA) which includes the management and monitoring of external and internal impacts, including the components of natural, human, economic, social and cultural resources, physical, recruitment, SMK3, BPJS, payroll, housing, vehicles, work equipment, education, etc. However, there has been no discussion regarding the presence of livestock in the company.</li> <li>Social Aspect Monitoring Questionnaire to representatives of surrounding communities and workers in November 2021.</li> <li>Letter No. 145/LGL/GH-PKU/IV/2020 dated April 14, 2020 regarding the company's appeal to control livestock at PT Gandaerah Hendana.</li> </ul> <p>Thus, companies are encouraged to consider social impact management and monitoring programs from the presence of livestock in and around the company into social impact management and monitoring programs.</p>
2	3.6.1	<p><b>All operating activities are assessed for risk to identify OHS problems. Mitigation plans and procedures are documented and implemented</b></p> <p>Companies are encouraged to ensure HIRAC covers workers commuting through heavy traffic roads.</p>
3	4.4.1	<p><b>Documents are available showing legal ownership or lease, or customary land use permits granted by customary landowners (<i>ulayat</i>) through a FPIC process. Documents relating to the history of land ownership and actual legal or customary use are available.</b></p> <p>Companies are encouraged to ensure the completion of the HGU acquisition process.</p>

**3.4.4. Noteworthy Positive Components**

No	Ref. Std.	Description
1	-	The company provides employment opportunities for workers with special needs such as speech impaired for more than 15 years for harvesting and maintenance (fertilizer) jobs.
2	-	The company has a PROPER certificate for the period 2020-2021 from KLHK with a Blue rating.
3	-	The company provides comprehensive FFB supplier information.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Seko Lubuk Tigo Village Representative</b> <ul style="list-style-type: none"> <li>• There's no negative issue related to land occupation.</li> <li>• the company has relinquished the occupied area from their HGU.</li> <li>• Company done training related to fire land prevention on village.</li> <li>• Many communities work in the company.</li> </ul>	<p>Regarding the occupied land area, the village has acknowledged that the area has been released from the HGU. So far, there is no issue of fire in the village, which had previously been an issue in online media.</p>
<b>Banjar Balam Village Representative</b> <ul style="list-style-type: none"> <li>• No issue related to land operation.</li> <li>• Has a good relationship with company.</li> <li>• Company has done CSR activities on village (including establish fire team)</li> <li>• No fire land issue.</li> </ul>	<p>No negative issue needs to further observation.</p>
<b>Land Agency of Pelalawan Regency</b> <ul style="list-style-type: none"> <li>• No issue related to land operation.</li> <li>• the company has relinquished the occupied area from their HGU.</li> <li>• Company routinely reports the utilization report.</li> </ul>	<p>No negative issue needs to further observation.</p>
<b>Local Contractor CV Sentano (FFB Transporter)</b> <b>Source: Director</b> <b>Date: 16 June 2022</b> <ul style="list-style-type: none"> <li>• Contractor is engaged in the transportation of FFB.</li> <li>• Contractor already has a valid partnership with the company.</li> <li>• Payments are made on time and in accordance with the agreed amount.</li> <li>• There were no complaints or problems while working with the company.</li> </ul>	<p>There are no negative issues that require further verification.</p>
<b>Environmental Agency of Pelalawan Regency</b> <b>Source: Head of Environmental Management</b> <b>Date: 14 June, 2022</b> <ul style="list-style-type: none"> <li>• Company already has permits related to environmental aspect such as permit for hazardous and toxic waste storage as well as environmental permit.</li> <li>• Environmental reports have been submitted periodically to Environmental Agency of Pelalawan Regency.</li> <li>• There is no environmental pollution problem caused by company.</li> <li>• There is no land fires has happened for past 1 year.</li> <li>• Company is in the process of preparing the Environmental Document Assessment (AMDAL)</li> </ul>	<p>Company already has environmental document, hazardous and toxic waste storage permit and liquid waste utilization to land permit that are still valid as well as reports on environmental management and monitoring results that are submitted to relevant agencies on a regular basis. Based on the results of interviews with management representatives, the company is currently preparing the AMDAL addendum document in collaboration with consultants. Company has shown process of</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Addendum document to the Ministry of Environmental and Forestry.	<p>preparing AMDAL addendum document as follows:</p> <ul style="list-style-type: none"> <li>• Application for Directions for the Preparation of Environmental Documents No. 533/LGL/GH-PKU/X/2021 dated October 21, 2021 from PT Gandaerah Hendana to Ministry of Environmental and Forestry.</li> <li>• Environmental Document Direction Letter of PT Gandaerah Hendana No. S.2092/PDLUK/P2T/PLA.4/12/2021 dated December 8, 2021 from the Ministry of Environment and Forestry to PT Gandaerah Hendana which states that PT Gandaerah Hendana is required to apply for changes to the Environmental Approval with the obligation to prepare an Addendum of Environmental Document Assessment (AMDAL) to Ministry of Environmental and Forestry through One Stop Service Unit of Ministry of Environmental and Forestry.</li> </ul>
<p><b>Local Contractor CV Surya Fajrin (Empty Bunch Transporter)</b>  <b>Source: Operational Director</b>  <b>Date: 14 June 2022</b></p> <ul style="list-style-type: none"> <li>• Contractor is engaged in the transportation of empty bunch.</li> <li>• Contractor already has a valid partnership with the company.</li> <li>• Payments are made on time and in accordance with the agreed amount.</li> <li>• There were no complaints or problems while working with the company.</li> </ul>	<p>There are no negative issues that require further verification.</p>
<p><b>Plantation and Livestock Service Agency of Pelalawan Regency</b>  <b>Source: Head Protection</b>  <b>Date: 15 June 2022</b></p> <ul style="list-style-type: none"> <li>• The company has a good relationship and communication with the Dinas</li> <li>• The company always involves the Dinas in every CSR activity the company.</li> <li>• The company has routinely submitted mandatory reports to the Dinas</li> <li>• During the past year there were no fires in the company area.</li> <li>• There are no issues related to the disturbance of plantation business by the community</li> <li>• No new land clearing on peat soil</li> </ul>	<p>There are no negative issues that require further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>FFB supplier Dani Tjahyadi</b> <b>Source: Administrator</b> <b>Date: June 14, 2022</b> <ul style="list-style-type: none"> <li>Has collaborated with PT Gandaerah Hendana in the sale and purchase of FFB since the last 20 years.</li> <li>The company's communication with FFB suppliers is quite good.</li> <li>FFB price is determined based on the agreement and changes in FFB price will be notified by PT Gandaerah Hendana via telephone or text message.</li> <li>So far there have been no problems in the payment of FFB.</li> <li>There are no negative issues related to the cooperation with the company so far, only suggestions that the price of FFB at PT Gandaerah Hendana can compete with other mills</li> </ul>	There are no negative issues that require further verification.
<b>FFB supplier Banjar Sari Sharia Cooperative</b> <b>Source: Chairman of the Cooperative</b> <b>Date: June 14, 2022</b> <ul style="list-style-type: none"> <li>Has cooperated with the company in the sale and purchase of FFB since the last 1 year.</li> <li>The company's communication with FFB suppliers is quite good.</li> <li>FFB price is determined based on the agreement and changes in FFB price will be notified by PT Gandaerah Hendana via telephone or text message.</li> <li>So far there have been no problems in the payment of FFB.</li> <li>There are no negative issues related to the cooperation with the company so far, only suggestions that the price of FFB at PT Gandaerah Hendana can be competitive with other Mills and there should be no restrictions on FFB shipments per day.</li> </ul>	There are no negative issues that require further verification
<b>FFB supplier CV Hasrat Sejahtera</b> <b>Source: Owner</b> <b>Date: June 14, 2022</b> <ul style="list-style-type: none"> <li>Has collaborated with PT GH in the sale and purchase of FFB for the last 10 years.</li> <li>The company's communication with FFB suppliers is quite good.</li> <li>FFB price is determined based on the agreement and changes in FFB price will be notified by PT GH via telephone or text message.</li> <li>So far, there have been no problems in the payment of FFB.</li> <li>There are no negative issues related to the cooperation with the company so far, only suggestions that the price</li> </ul>	There are no negative issues that require further verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>of FFB at PT Gandaerah Hendana can be competitive with other mills and there should be no restrictions on FFB shipments per day.</p>	
<p><b>Manpower and Transmigration Agency of Pelalawan Regency.</b></p> <p>The communication relationship between the company and the agency has been going well for the past few years. The implementation of labor regulations has been quite well implemented by the company such as minimum wages, <i>BPJS</i>, overtime, provision of PPE, provision of health facilities and proper housing. This was conveyed based on the results of the official visit in March 2021 to the company to conduct routine work visits.</p> <p>There were no employment issues that reached the office during 2021 to 2022 (May). There are no issues related to forced labor, child labor, or acts of discrimination committed by the company against its workers.</p> <p>There are 2 registered unions in the office for PT Gandaerah Hendana, namely SPSI and HUKATAN. The CLA currently used is still valid because it was only legalized in early 2022.</p> <p>There are no issues related to foreign workers so far, because the company already has an RPTKA and IMTA for these foreign workers and has been reported to the agency.</p>	<p>Based on the document review, it is known that currently the company has implemented an employment system that refers to the laws and regulations in Indonesia such as minimum wages, <i>BPJS</i>, overtime, provision of PPE, provision of health facilities and proper housing. This has been proven by the provision of wages above the minimum wage, the registration of all workers in the <i>BPJS</i> program, appropriate overtime payments and so on.</p> <p>The active unions are in accordance with the statement from the service, namely 2 (SPSI and HUKATAN). Issues related to foreign workers do not exist because the supporting documents are complete along with their reports to the agency.</p>
<p><b>Employee Cooperative of PT Gandaerah Hendana.</b></p> <p>The employee cooperative in the company has been active since 2014 in the <i>waserda</i> and savings and loan businesses. Currently members of the employee cooperative consist of workers and staff. The cooperative gives freedom to all workers to join or not to become members and this is supported by company policies. One of the company's supports in establishing cooperatives is providing a place for cooperatives to establish their <i>waserda</i> businesses.</p> <p>The last Annual Member Meeting (RAT) was carried out in 2021 for the 2020 financial year while the 2021 Annual Member Meeting (RAT) had not been carried out because at the time the Annual Member Meeting (RAT) activity was carried out the number of members present was still less than 50% + 1 so the Annual Member Meeting (RAT) for the 2021 financial year was canceled. The cooperative has planned to carry out Annual Member Meeting (RAT) activities again in the middle of 2022 later.</p>	<p>The support from the company to form an employee cooperative is quite good and there are no issues related to membership or others.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Serikat Pekerja Pertanian dan Perkebunan – Serikat Worker Union (SPPP-SPSI) of PT Gandaerah Hendana (Division 3-15, Office, Workshop, Security and others).</b></p> <p>Over the past year the communication relationship between the company and the union has been going well. The existing unions have been officially registered with the local agency and there have been as many as 5 unions in the company. Currently, the number of workers who are members of the union has reached + 80% of the total workers and is a union that negotiates together in making the CLA. The current CLA is still valid until 2024 and has been ratified in early 2022.</p> <p>From 2021 to May 2022 the company has implemented a fairly good employment system, starting from the application of the minimum wage, overtime payment/calculation, working days, <i>BPJS</i>, wage scale structure and other employment systems. If there is a problem between the workers and the company, both parties will conduct bipartite negotiations. The last negotiations were held in January 2022 and the negotiations have been completed with the PB (Mutual Agreement).</p> <p>Regarding complaints, the union also stated that there were no critical complaints related to the labor system or OSH. This is because the complaints that have been submitted so far have only been related to minor house repairs and the implementation of K3 has been going well. Welfare facilities have also been provided quite well and appropriately by the company to be used by workers ranging from housing, clinics, school buses, water, electricity and others. In addition, there is also no child labor, acts of discrimination, harassment or violence against workers in the company's operational scope.</p>	<p>The company already has several active trade unions and has been approved by the relevant agencies in Pelalawan Regency. Regulations related to minimum wages, overtime calculations, provision of PPE, <i>BPJS</i> and other things have been implemented so that there are no issues related to wages since 2021 until now.</p> <p>There were also no issues/incidents related to harassment, violence, child labor, or human trafficking that occurred since 2021 until audit activities were carried out within the company.</p>
<p><b>Worker Union (FSB HUKATAN SBSI) of PT Gandaerah Hendana.</b></p> <p>Over the past year the communication relationship between the company and the union has been going well. The existing unions have been officially registered with the local agency and there have been as many as 5 unions in the company. Currently, most of the workers who are members of the union come from factory workers and a small part from plantations. Currently, the unions have agreed to use the PKB which is legalized by the relevant agencies and compiled jointly between SPSI and the company.</p> <p>From 2021 to May 2022 the company has implemented a fairly good employment system, starting from the application of the minimum wage, overtime payment/calculation, working days, <i>BPJS</i>, wage scale structure and other employment systems. If there is a problem between the workers and the company,</p>	<p>The company already has several active trade unions and has been approved by the relevant agencies in Pelalawan Regency. Regulations related to minimum wages, overtime calculations, provision of PPE, <i>BPJS</i> and other things have been implemented so that there are no issues related to wages since 2021 until now.</p> <p>There were also no issues/incidents related to harassment, violence, child labor, or human trafficking that occurred since 2021 until audit activities were carried out within the company.</p>




Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>both parties will conduct bipartite negotiations. The last negotiations took place in early June 2022.</p> <p>Regarding complaints, the union also stated that there were no critical complaints related to the labor system or OSH. This is because the complaints that have been submitted so far have only been related to minor house repairs and the implementation of K3 has been going well. Welfare facilities have also been provided quite well and appropriately by the company to be used by workers ranging from housing, clinics, school buses, water, electricity and others. In addition, there is also no child labor, acts of discrimination, harassment or violence against workers in the company's operational scope.</p>	
<p><b>Gender Committee of PT Gandaerah Hendana.</b></p> <p>The gender committee has been formed since 2018 with management from among workers and staff, where the management/members consist of male and female workers. Since 2018 there have been no issues related to gender, harassment, child labor, violence or serious violations of reproductive rights in the company's environment. It is now certain that none of the workers who work with chemicals are women who are pregnant and breastfeeding, this is because the company and the gender committee have carried out regular monitoring every month to ensure this does not happen.</p> <p>The company has also identified the needs of new mothers, where from the results of the identification the company has provided special time for female workers when they want to breastfeed their children every day, providing convenience in obtaining milk, baby food and other needs facilitated by the cooperative. In terms of the facilitation provided, among others, female workers (new mothers and workers with children) can place orders in the form of milk, baby food and other necessities to the cooperative at prices that are not much different, making it easier to access them.</p>	<p>There are no issues related to gender, harassment, violence or serious violations of reproductive rights in the company's environment.</p> <p>The company has also facilitated the needs of new mothers starting from the time to breastfeed their children, the availability of milk, baby food and other necessities that can be ordered through the employee cooperative.</p>
<p><b>News from Internet Media:</b></p> <p><i>"Di Duga Di Non Jobkan Sepihak, 4 Karyawan Gendaerah Hendana Lakukan Bipartit."</i></p> <p>Links:  <a href="https://riausindo.com/news/detail/1580/di-duga-di-non-jobkan-sepihak-4-karyawan-gendaerah-hendana--lakukan-prpartit">https://riausindo.com/news/detail/1580/di-duga-di-non-jobkan-sepihak-4-karyawan-gendaerah-hendana--lakukan-prpartit</a></p>	<p>In relation to this issue, the company has given its justification related to the non-jobs, 4 staff of PT GandaerahHendana who were proven to have made mistakes in working in accordance with the results of the company's internal audit for operational activities carried out in December 2021, where it has been proven that as many as 4 workers did mistakes in doing work (allowing maintenance locations and making false reports). The results of the internal audit caused 4 staff (assistant and coordinator) to receive sanctions from the company for not working for</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>several days until the internal audit investigation was completed. After all the evidence has been collected and has been found guilty, the 4 people will receive sanctions according to the level of guilt committed, namely:</p> <ul style="list-style-type: none"> <li>Workers with the initials AMP receive a SP3 (Third warning letter) which is valid for 6 months from the date the letter was issued on 07 January 2022 and gets demotion from the assistant position.</li> <li>Workers with the initials IRY agreed not to receive sanctions but decided to take early retirement in accordance with the Collective Termination Agreement (Early Pension) effective January 29, 2022 and obtain details of the calculation of severance pay and others in accordance with related regulations and agreed by both parties.</li> <li>Workers with initials DLD receive termination of employment sanctions as of January 7, 2022 and it has also been agreed upon by the workers in accordance with the Collective Termination Agreement (made a mistake) as of February 2, 2022 and obtain details of the calculation of severance pay and others in accordance with the relevant regulations and agreed by both parties.</li> <li>Employees with the initials DAR receive a sanction SP3 (Third warning letter) which is valid for 6 months since the letter was issued on January 7, 2022 and gets demotion from the assistant position.</li> </ul> <p>Based on this, the issue from the internet has been justified by the company because the company has a clear reference in taking non-employment actions and providing sanctions (SP and layoffs) to its workers according to the mistakes made by these workers.</p>
<p><b>News from Internet Media:</b>  <i>"Aduh, Perkebunan Gandaerah Hendana Diduga Gunakan Tenaga Asing Ilegal"</i></p> <p>Links:  <a href="https://pelitariau.com/berita/detail/25122/aduh-perkebunan-gandaerah-hendana-diduga-gunakan-tenaga-asing-ilegal">https://pelitariau.com/berita/detail/25122/aduh-perkebunan-gandaerah-hendana-diduga-gunakan-tenaga-asing-ilegal</a></p>	<p>The company has justified this issue by showing that the three foreign workers are the second LSJ (GM Position), JDH (Manager Position) and the three KDR (Manager Position) who are said to have legally worked at PT Gandaerah Hendana. The following is the evidence shown:</p> <ul style="list-style-type: none"> <li>Foreign Workers with the initials JDH who have the Ratification of the Plan for the Use of Foreign Workers (RPTKA) No. B.3/079697/PK.04.01/X/2021 dated 22 October 2021 which is valid until 14 December 2022 and IMTA document No. KEEP. 079697/PPTK/PTA/NOTIF/21 which is valid until</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>December 14, 2022. Document of Proof of Existence/Arrival of Foreign Workers No. 569/NAKER-P3K2/69/2021 dated November 30, 2021 from the Pekanbaru City Manpower Office where the worker works (foreign workers work at the GNI Headquarters in Pekanbaru). This worker is an employee of PT GandaerahHendana who has officially worked in Indonesia.</p> <ul style="list-style-type: none"> <li>Foreign Workers with the initials KDR who have the Ratification of the Plan for the Use of Foreign Workers (RPTKA) No. B.3/023222/PK.04.01/III/2022 dated 22 October 2021 which is valid until 03 April 2023 and IMTA document No. KEEP. 023222/PPTK/PTA/NOTIF/22 which is valid until April 3, 2023. Document of Proof of Existence/Arrival of Foreign Workers No. 569/NAKER-PPPKK/08/2021 dated 07 April 2022 from the Pekanbaru City Manpower Office where the worker works (foreign workers work at the GNI Headquarters in Pekanbaru). This worker is an employee of PT GandaerahHendana who has officially worked in Indonesia.</li> <li>Foreign Workers with the initials LSJ who have the Ratification of the Plan for the Use of Foreign Workers (RPTKA) No. B.3/082207/PK.04.01/XI/2021 dated 01 November 2021 which is valid until 03 December 2022 and IMTA document No. KEEP. 082207/PPTK/PTA/NOTIF/22 which is valid until December 3, 2022. Document of Proof of Existence/Arrival of Foreign Workers No. 569/NAKER-P3K2/72/2021 dated 30 November 2021 from the Pekanbaru City Manpower Office where the worker works (foreign workers work at the GNI Headquarters in Pekanbaru). This worker is an employee of PT Inecda not PT GandaerahHendana who has officially worked in Indonesia..</li> </ul> <p>Based on this, the company does not use illegal foreign workers because all foreign workers who work have officially licensed to work in Indonesia.</p>
<p><b>News from Internet Media:</b>  <i>"PT Gandaerah Hendana dan PT INECDA Diduga Lakukan PHK Pekerja Tanpa Alasan Yang Jelas"</i></p> <p>Links:  <a href="https://www.koranperdjoeangan.com/pt-gandaerah-hendana-dan-pt-inecda-diduga-lakukan-phk-pekerja-tanpa-alasan-yang-jelas/">https://www.koranperdjoeangan.com/pt-gandaerah-hendana-dan-pt-inecda-diduga-lakukan-phk-pekerja-tanpa-alasan-yang-jelas/</a></p>	<p>In relation to this issue, the company provides its justification which states that the laid off workers are due to not completing employment data since they first worked in 2018 until 2021. The following is the chronology:</p> <ul style="list-style-type: none"> <li>A worker with the initials FAR applied for a job as</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<a href="#">jelas/</a>	<p>a harvester at PT GandaerahHendana on August 27, 2018 and was declared to have been accepted after going through several worker recruitment processes, but the worker still has not completed the important documents, namely the Marriage Book and Child Birth Certificate from the civil registry (in the party's KK). workers are already married, so they must attach these documents).</p> <ul style="list-style-type: none"> <li>• After passing a working period of less than 6 months, the worker is appointed as a permanent worker and gets 31.5 kg of natura/rice (1 wife and 1 child), but the worker does not also provide the lack of files that have been previously warned.</li> <li>• From February 2019 to January 2021 the workers continued to receive in-kind benefits and still did not provide the lack of the file, so the company gave a period of one month to complete the document and there was a statement letter made by the worker on January 12, 2021 which stated that he will complete the lack of the file.</li> <li>• When the deadline for completing the file was completed (16 February 2021) the workers had not fulfilled this, so the company gave a summons on 17 February 2021.</li> <li>• After the meeting on February 17, the workers were still unable to provide the lack of documents so that the company gave Termination of Employment (PHK) because the workers had violated Article 51 in the CLA which reads "making or providing false certificates of personal data or false reports or falsified about work to the company". Therefore, as of March 2021, the company has terminated its relationship with the company for violating the articles contained in the CLA.</li> <li>• After several months of negotiations with the company, the worker finally admitted his mistake and asked to be able to work again in the company with a single status according to his current situation. Based on this, on June 25, 2021, a Collective Agreement was made between the company and workers to agree to re-employ workers on the condition that workers' wages from February to June 2021 are not paid because they are not working and workers are willing to receive SP 1 in connection with the mistakes they have made.</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	Based on this, the issue from the internet has been justified by the company because the company already has a clear reference in carrying out layoffs for its workers in accordance with the CLA they have and currently the problem has been resolved in a bipartite manner.
<p><b>Manpower and Transmigration Agency of Pelalawan Regency.</b></p> <p>The communication relationship between the company and the agency has been going well for the past few years. The implementation of labor regulations has been quite well implemented by the company such as minimum wages, <i>BPJS</i>, overtime, provision of PPE, provision of health facilities and proper housing. This was conveyed based on the results of the official visit in March 2021 to the company to conduct routine work visits.</p> <p>There were no employment issues that reached the office during 2021 to 2022 (May). There are no issues related to forced labor, child labor, or acts of discrimination committed by the company against its workers.</p> <p>There are 2 registered unions in the office for PT Gandaerah Hendana, namely SPSI and HUKATAN. The CLA currently used is still valid because it was only legalized in early 2022.</p> <p>There are no issues related to foreign workers so far, because the company already has an RPTKA and IMTA for these foreign workers and has been reported to the agency.</p>	<p>Based on the document review, it is known that currently the company has implemented an employment system that refers to the laws and regulations in Indonesia such as minimum wages, <i>BPJS</i>, overtime, provision of PPE, provision of health facilities and proper housing. This has been proven by the provision of wages above the minimum wage, the registration of all workers in the <i>BPJS</i> program, appropriate overtime payments and so on.</p> <p>The active unions are in accordance with the statement from the service, namely 2 (SPSI and HUKATAN). Issues related to foreign workers do not exist because the supporting documents are complete along with their reports to the agency.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<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 Gandaerah Hendana Management Representative</p>  <p><b><u>Didik Sugeng Hariyanto</u></b> Friday, 01 July 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Briyogi Shadiwa</u></b> Friday, 01 July 2022</p> </div> </div>



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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
2	Land Agency of Pelalawan Regency	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
3	Local Contractor CV Surya Fajrin (EFB Transporter)	Pelalawan District	-	Direct Interview	14 June 2022	✓	-
4	Manpower and Transmigration Agency of Pelalawan Regency.	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
5	Employee Cooperative of PT Gandaerah Hendana	PT Gandaerah Hendana	-	Direct Interview	14 June 2022	✓	-
6	Worker Union (SPPP-SPSI) of PT Gandaerah Hendana	PT Gandaerah Hendana	-	Direct Interview	14 June 2022	✓	-
7	Worker Union (FSB HUKATAN SBSI) of PT Gandaerah Hendana.	PT Gandaerah Hendana	-	Direct Interview	14 June 2022	✓	-
8	Local Contractor CV Sentano (FFB Transporter)	Pelalawan District	-	Direct Interview	16 June 2022	✓	-
9	Gender Committee of PT Gandaerah Hendana	PT Gandaerah Hendana	-	Direct Interview	14 June 2022	✓	-
10	<b>Gandaerah Hendana POM</b> WTP: 1 Operator IPAL: 1 Operator POM Housing Complex: 2 residents Security: 3 workers Sorting station: 3 Workers Sterilizer Station: 1 operator Press Station: 1 operator Boiler Station: 1 operator Engine Room: 1 operator	PT Gandaerah Hendana	-	Direct Interview	14 June 2022	✓	-
11	<b>Estate 1</b> Division 1 Housing Complex: 1 resident Spray worker: 1 worker Storage: 1 Operator Plant Maintenance: 2 workers Harvester: 3 workers	PT Gandaerah Hendana	-	Direct Interview	15 June 2022	✓	-
12	<b>Estate 2</b> Clinic: 1 Doctor Division 10 Housing Complex: 1 resident	PT Gandaerah Hendana	-	Direct Interview	16 June 2022	✓	-

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	Storage: 1 Storage Head, 1 Firefighting Preparedness Warehouse Manager, 2 Operators Local Contractor: 1 worker Fertilizing: 2 workers Nursery: 1 foreman Workshop: 1 Assisstant						
13	<b>Estate 3</b> Division 11 Housing Complex: 2 residents Spray Unit Building: 1 Worker Harvester: 2 workers <i>Kutib brondot</i> : 4 workers Sprayer: 3 workers	PT Gandaerah Hendana	-	Direct Interview	16 June 2022	✓	-
14	Plantation and Livestock Agency	Pelalawan District	-	Telephone Public Consultation	15 June 2022	✓	-
15	FFB supplier Dani Tjahyadi	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
16	FFB supplier Banjar Sari Sharia Cooperative	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
17	FFB supplier CV Hasrat Sejahtera	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
18	Seko Lubuk Tigo Village Representative	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-
19	Banjar Balam	Pelalawan District	-	Telephone Public Consultation	14 June 2022	✓	-

**Appendix 2. Assessment Program**

DATE	13 – 18 June 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 13 June 2022</b>		
07.30 – 09.15	<b>JAKARTA (CGK) → PEKANBARU (PKU) GA-172</b>	<b>All Auditor</b>
10.00 – 15.00	<b>PEKANBARU → PT GANDAERAH HENDANA</b>	<b>All Auditor</b>
15.00 – 17.00	<b>Opening meeting:</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit).</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification).</li> </ul>	<b>All Auditor Unit Management of GH</b>
<b>Tuesday, 14 June 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Pelalawan Regency by Phone</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field observation to Gandaerah POM:</b> <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> <p>Presentation of Daily Progress</p>	<b>All Auditor</b>
<b>Wednesday, 15 June 2022</b>		
08.00 – 12.00	<b>Field Observation to Estate 1</b> <b>Aspect to be verified:</b> <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> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Interview with related personels during field observation</li> </ul>	<b>All Auditor</b>

DATE	13 – 18 June 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> <li>Presentation of Daily Progress.</li> </ul>	<b>All Auditor</b>
<b>Thursday, 16 June 2022</b>		
08.00 – 12.00	<b>Field Observation to Estate 2 &amp; 3</b> <b>Aspect to be verified:</b> <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> <li>Implementation of Employment Procedure and Mechanism Aspect.</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Interview with related personnel's during field observation.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier by phone.</li> <li>Presentation of Daily Progress.</li> </ul>	<b>All Auditor</b>
<b>Friday, 17 June 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Continue interview with Related Agencies, Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier by phone.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 15.00	Internal discussion by auditor team preparing for Closing Meeting	<b>All Auditor</b>
15.00 – 17.00	<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>	<b>All Auditor Unit Management of GH</b>
<b>Saturday, 18 June 2022</b>		
12.00 – 16.00	<b>PT GANDAERAH HENDANA → PEKANBARU</b>	<b>All Auditor</b>
18.20 – 20.05	<b>PEKANBARU → JAKARTA : QG-937</b>	<b>All Auditor</b>