

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

### **[✓] Surveillance**

Name of Management Organization : **Inecda Palm Oil Mill – PT Inecda subsidiary of S&G Biofuel PTE. LTD.**  
 Plantation Name : PT Inecda – Estate 1 and Estate 2  
 Location : Petala Bumi Village, Seberida Sub District, Indragiri Hulu District, Riau Province, Indonesia  
 Certificate Code : **MUTU-RSPO/132**  
 Date of Certificate Issue : 28 May 2019      Date of License Issue : 28 October 2022  
 Date of Certificate Expiry : 27 May 2024      Date of License Expiry : 27 May 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	11 to 15 July 2022	Haikal Ramadhan Kharismansyah (Lead Auditor), Rizliani Aprianita Hasibuan, Arief Tajalli and Kiki Fadli	Ardiansyah	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	24 October 2022

**TABLE OF CONTENT**
**FIGURE**

Figure 1. Location Map of PT. Inecda (Inecda POM)	1
Figure 2. Operational Map of PT. Inecda (Inecda POM)	2
Abbreviations Used	3

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1	Assessment Standard Used	4
1.2	Organization Information	4
1.3	Type of Assessment	4
1.4	Location of Mill and Plantations	4
1.5	Description of Area Statement	5
1.6	Planting Year and Cycle	5
1.7	Description of Mill and Supply Base	6
1.8	Estimate Tonnage of Certified Product	7
1.9	Other Certifications	7
1.10	Time-Bound Plan	7

**2.0 ASSESSMENT PROCESS**

2.1	Assessment Team	9
2.2	Assessment Methodology, Assessment Process and Locations of Assessment	9
2.3	Stakeholder Consultation and Stakeholders Contacted	12
2.4	Determining Next Assessment	12

**3.0 ASSESSMENT FINDINGS**

3.1	Summary of Assessment Report of the RSPO Certification	13
3.2	Conformity Checklist of Certificate and Logo Use	70
3.3	Summary of RSPO Partial Certification	71
3.4	Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	73
3.5	Summary of Arising Issues from Public and Auditor Verification	97

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1	Formal Signing of Assessment Findings	106
-----	---------------------------------------	-----

**APPENDICES**

1.	List of Stakeholders Contacted in the RSPO Certification Process	107
2.	Assessment Program	108

Figure 1. Location Map of PT. Inecda (Inecda POM)

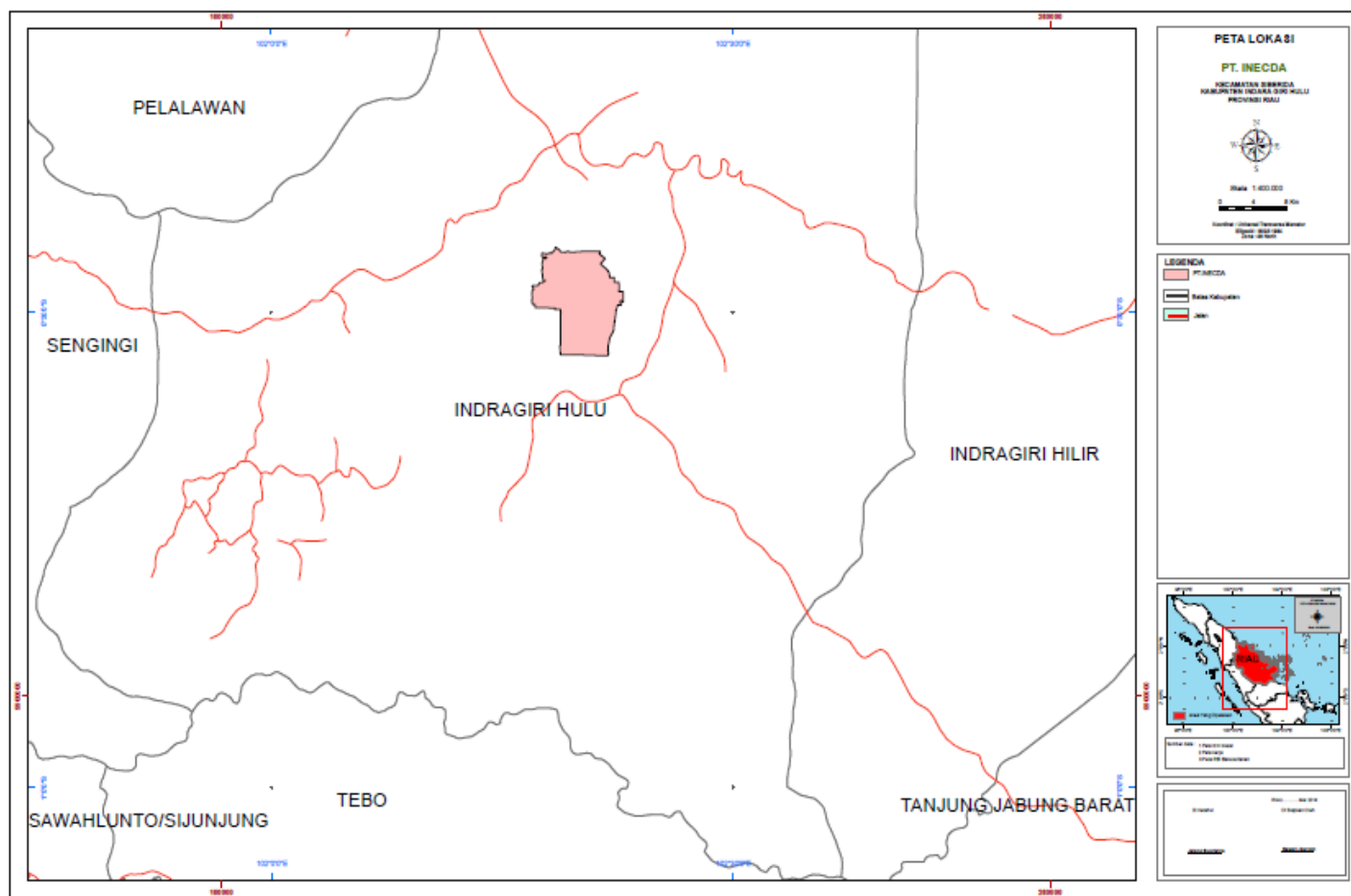
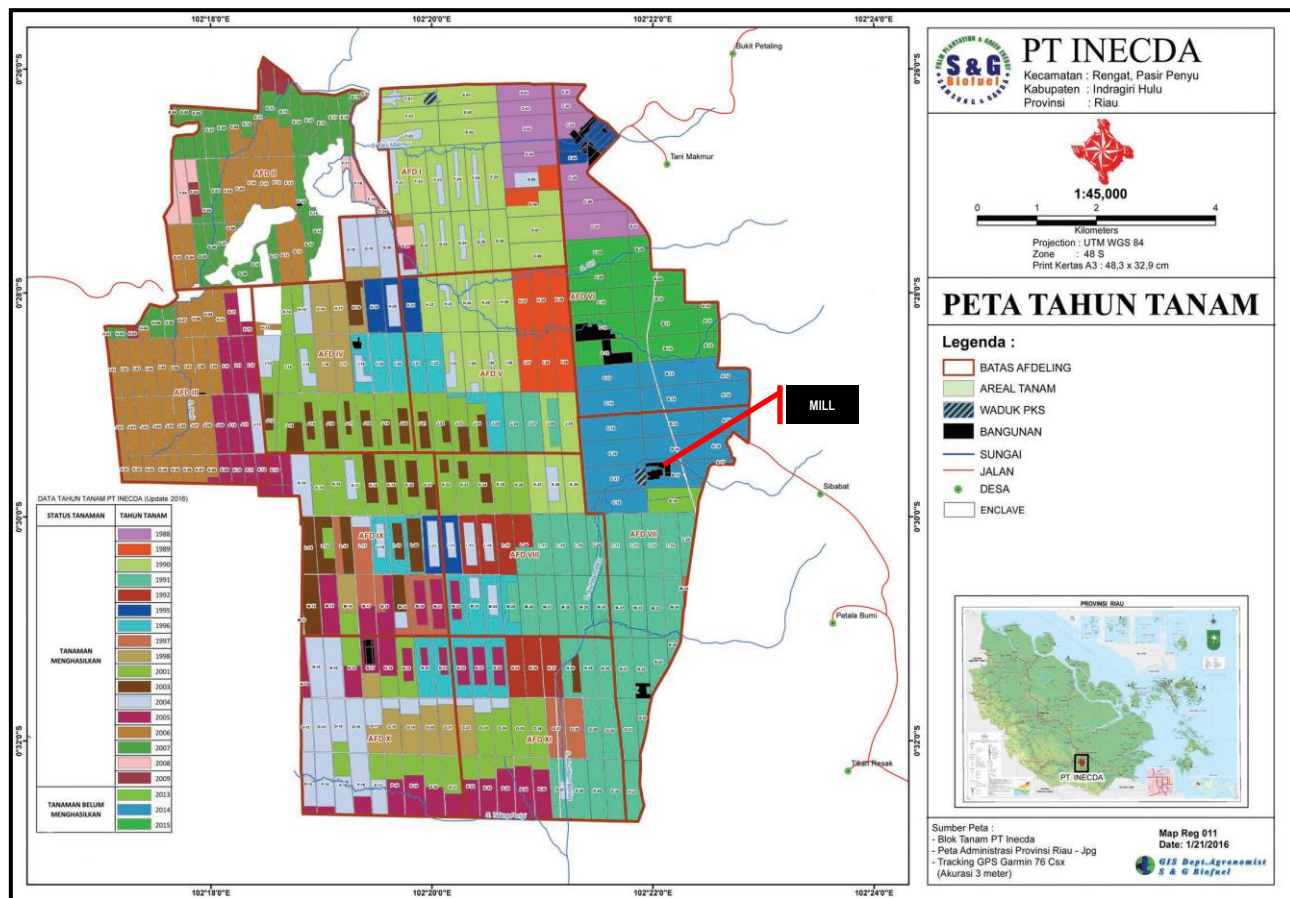


Figure 2. Operational Map of PT. Inecda



**Abbreviations Used**

ANDAL	:	<i>Analisis Dampak Lingkungan</i> (environmental impact assessment)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
BPN	:	<i>Badan Pertanahan Nasional</i> / National Land Agency
CFO	:	Chief Financial Officer
COO	:	Chief Operational Officer
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CU	:	Certification Unit
DPMPTSP	:	<i>Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu</i>
EFB	:	Empty Fruit Bunch
EHS	:	Environment, Health, and Safety
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed, and Consent
HCV	:	High Conservation Value
HCS	:	High Carbon Stock
HGU	:	<i>Hak Guna Usaha</i> / Land Use Title
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
HPK	:	<i>Hutan Produksi yang dapat di Konversi</i> / Convertible Production Forest
HPH	:	<i>Hak Pengelolaan Hutan</i> / Forest Management Right
HRD	:	Human Resource Department
IA	:	Initial Assessment
IC	:	Initial Certification
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
KLRA	:	<i>Kawasan Lindung Resapan Air</i> / Water Catchment Protected Area
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> or OSH Committee
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RACP	:	Remediation and Compensation Plan
RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Wastewater Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<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 Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li></ul>	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Inecda subsidiary of S&G Biofuel PTE. LTD	
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	didik@gniplantation.com	
1.2.7	Web page address	-	
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 – 14 August 2017	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Inecda POM) and, 2 Supply Bases (Estate 1 and Estate 2)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Inecda POM	Petala Bumi Village, Seberida Sub-District, Indragiri Hulu District, Riau Province, Indonesia	S 0° 29' 37"E 102° 22' 01"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Estate 1	Tani Makmur Village, Rengat Barat Sub-District, Indragiri Hulu District, Riau Province, Indonesia	S 0° 27' 52"E 102° 19' 43"
	Estate 2	Petala Bumi Village, Seberida Sub-District, Indragiri Hulu District, Riau	S 0° 31' 05"E 102° 20' 21"

		Province, Indonesia		
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State (HGU)		8,600.92 Ha	
	• Community		- Ha	
	Total			
1.5.2	Area Statement			
	Description	Estate 1	Estate 2	TOTAL (Ha)
	Total area	4,681.01	3,919.91	8,600.92
	Mature Area	3,769.11	3,364.09	7,133.20
	Immature Area	501.36	265.23	766.59
	Emplacement	44.66	12.44	57.10
	Mill	-	12.61	12.61
	Nursery	13.10	-	13.10
	HCV	26.40	15.31	41.71
	Road/Trench/Swamp	326.38	250.23	576.61
*There is a reduction in area from the previous assessment due to the partial release of HGU No. 19 for an area of 227.4609 Ha				
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Estate 1	Estate 2	TOTAL (Ha)
	Mature Area			
	1990	149.91	-	149.91
	1991	-	838.07	838.07
	1992	-	116.70	116.70
	1995	79.03	58.97	138.00
	1996	142.80	139.13	281.93
	1997	-	144.73	144.73
	1998	105.25	168.19	273.44
	2001	304.65	403.43	708.08
	2003	25.03	222.34	247.37
	2004	166.51	340.54	507.05
	2005	187.38	439.13	626.51
	2006	628.27	-	628.27
	2007	373.20	-	373.20
	2008	80.69	-	80.69
	2009	79.75	-	79.75
	2013	-	28.22	28.22
	2014	157.18	259.35	416.53
	2015	308.47	-	308.47
	2016	203.00	-	203.00
	2017	335.84	-	335.84
	2018	249.49	86.44	335.93

	2019	192.66	118.85	311.51			
	Sub Total	3,769.11	3,364.09	7,133.20			
	2020	236.51	116.86	353.37			
	2021	115.65	89.70	205.35			
	2022	149.20	58.67	207.87			
	Sub Total	501.36	265.23	766.59			
	Total	4,270.47	3,629.32	7,899.79			
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 (%)
	Inecda POM	45	175,749.38	36,551.82	20.80	7,739.09	4.40
	*Production data source from 12 months before assessment (July 2021 to June 2022)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/yr)	Yield (ton/ha/yr)	Supplied to Mill	
						FFB (ton/year)	%
	Estate 1	4,681.01	3,769.11	78,376.27	20.79	78,376.27	100
	Estate 2	3,919.91	3,364.09	75,312.06	22.39	75,312.06	100
	Total	8,600.92	7,133.20	153,688.33	21.55	153,688.33	100
	*Production data source from 12 months before assessment (July 2021 to June 2022)						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified/non-certified)		Type of Organization	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tones/year)	
	Certified						
	PT Gandaerah Hendana (Estate)		S&G Biofuel PTE. Ltd	-	-	624.91	
	Non Certified						
	PT Inecda		S&G Biofuel PTE. Ltd	-	-	7,060.49	
	PT Gandaerah Hendana		S&G Biofuel PTE. Ltd	-	-	1,710.30	
	Liana		Independent Supplier	-	-	1,002.57	
	Nuryani		Independent Supplier	-	-	6,344.91	
	Nuryani.1		Independent Supplier	-	-	1,929.17	
	Jasa Pesikaian Sukses Bersama Cooperative		Independent Smallholder	-	-	2,174.59	
	Petalongan Makmur Jaya Sejahtera Cooperative			-	-	276.55	
	Pematang Jaya Sejahtera Cooperative			-	-	931.72	
	CV Sawit Alam Permai		Independent Supplier	-	-	5.84	
	TOTAL						22,061.05
	*Production data source from 12 months before assessment (July 2021 to June 2022)						
1.7.4	Product categories			FFB, CPO, PK			



1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Estimate Production (MT) period of last year		Actual Production (MT) last year (July 2021 to June 2022)			
	FFB Processed		177,000		154,313.24			
	CPO Production		37,692		32,741.08			
	Palm Kernel (PK) Production		8,340		6,878.91			
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (July 2021 to June 2022)					
	CSPO sold as RSPO certified product		32,389.03					
	CSPK sold as RSPO certified product		6,840.66					
	CSPO sold under another scheme		0					
	CSPK sold under another scheme		0					
	CSPO sold as conventional		0					
	CSPK sold as conventional		32.16					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)		
	Estate 1		4,681.01	3,769.11	82,000	21.83		
	Estate 2		3,919.91	3,364.09	80,000	23.78		
	TOTAL		8,600.92	7,133.20	162,000	22.75		
	*Projected FFB production for 12 months of certificate							
	1.8.4	Estimate of Certified Palm Product Claim						
Name of Mill		Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)	
Inecda POM		45	162,000	37,250	23	7,300	4.5	MB
*Projected CSPO and CSPK production for 12 months of certificate								
1.9	Other Certifications							
	ISO 9001:2015			-				
	ISO 14001: 2015			POM : issued 22 April 2021 valid until 21 April 2024 by PT TSI Estate : issued 30 September 2021 valid until 29 September 2024 by PT TSI				
	ISO 45001:2018			-				
	ISCC			-				
	Others			ISPO Certificate which valid until 22 August 2022				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time Bound Plan						

	Gandaerah Hendana POM (PT Gandaerah Hendana)	2019	Estate 1	2019	District of Pelalawan, Province of Riau, Indonesia	Certified
			Estate 2	2019		Certified
			Estate 3	2019		Certified
			SKT 1 Estate (HGU on process ±538.17 Ha)	2023	District of Indragiri Hulu, Province of Riau, Indonesia	-
			SKT 2 Estate (HGU on process ±227.63 Ha)	2023		-
	Inecda POM (PT Inecda)	2019	Estate 1	2019	District of Indragiri Hulu, Province of Riau, Indonesia	Certified
			Estate 2	2019		Certified
			SKT Estate (HGU on process ±135.65 ha)	2023		-
	*TBP is approved on 28 May 2021					
	1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	There is no associated smallholder scheme in PT Inecda					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-3</b>	<p>1. <b>Haikal Ramadhan Kharismansyah (Lead Auditor)</b>. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years' experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001:2015, Auditor ISPO, RSPO Lead Auditor Training, ISO 22000 awareness, RSPO SCCS, and Social Auditing by WIRE. Did some audit SPO scheme with aspects best management practices, SCCS, Legal, Social, and worker welfare. During this assessment verified Legal, FPIC, SCCS, Social, Time Bound Plan &amp; Partial Certification.</p> <p>2. <b>Rizliani Aprianita Hasibuan (Auditor)</b>. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001:2008, ISO 14001:2004, OHSAS 18001, ISPO Auditor training, RSPO lead Auditor training, RSPO SCCS training, SA 8000, social training by RSPO (Verite) and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, she conducted an assessment on Environmental, HCV and GHG aspect.</p> <p>3. <b>Arief Tajalli (Auditor)</b>. Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011 and ISPO Auditor training by Mutu Institute and RSPO Auditor Training by Checkmark, also participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social, environmental, GHG, and waste management aspect. During this assessment, he verified the Environmental, Social, GHG, and Waste management aspects.</p> <p>4. <b>Kiki Fadli (Auditor Trainee)</b>. Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the sustainability department in private and state-owned oil palm plantations. Has attended training on Lead Auditor ISPO, Lead Auditor RSPO, General OHS Expert, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, SMK3. During this assessment, he verified the Best Management Practice and OHS under supervision of Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-3</b>	<p>Number of auditors: 3 auditor, and 1 Trainee Auditor</p> <p>Number of days for <b>ASA-3</b> onsite audit: 5 days</p> <p>Number of working days for <b>ASA-3</b> onsite audit: 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 sufficiency of implementation with the consistency done by the PT Inecda to the requirements of <b>Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</b></p> <p>The scope of certification of Inecda POM with FFB supplied by two (2) Estates consist of Estate 1 and Estate 2. The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4). 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</p>

PT Mutuagung Lestari (MUTU) and part of ASA-3.

The opening meeting was held on 11 July 2022. As for the participants who attended the opening meeting included General Manager, Estate and Mill Managers, Support Team from Pekanbaru and other staff of PT Inecda. Closing meeting was held on 15 July 2022 attended by the same participants as the opening meeting. Management PT Inecda accept all the onsite surveillance 3 audit results.

The assessment program please find Appendix 2.

**2.2.3**
**Locations of Assessment**
**ASA-3**

The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:

**Inecda POM**

- **Hazardous waste storage.** Observation and interview about storage condition, hazardous waste stock, emergency response facility, and waste management.
- **Oil storage.** Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **General storage.** Observation and interview about storage condition, PPE stock, emergency response and OHS implementation.
- **Chemical material storage.** Observation and interview about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **Workshop.** Observation and interview related to work procedure, OHS and workers welfare aspect.
- **Water Source Reservoir and Water Intake.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Land Application Block B15.** Observation of flatbed conditions, indications of POME spills or overflows, and interviews with workers regarding duties, responsibilities and labour aspects.
- **Monitoring Well Block B13 and C15.** Observation related to condition and management aspect.
- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Solar Tank.** Observations related to material handling, OHS and environmental management.
- **Water Treatment Plant (WTP).** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Empty Bunch, Fiber and Shell area.** Observations related to material handling, OHS and environmental management.
- **Boiler Station.** Observations related to the implementation of OHS and technical aspects of work.
- **Engine Room Station.** Observations related to the implementation of OHS and technical aspects of work.
- **Press Station.** Observations related to the implementation of OHS and technical aspects of work.
- **Sterilizer Station.** Observations related to the implementation of OHS and technical aspects of work.
- **Grading Station.** Observations related to the implementation of OHS and technical aspects of work.
- **Emergency Response Facility.** Observations related to the condition of emergency response facilities.
- **Weighbridge.** Observation and interview related FFB source, supply chain and worker welfare aspect
- **CPO Storage Tank and Kernel Storage.** Observation related capacity of storage

**Estate 1**

- **Day care facility.** Observation and interview about facility and interview about worker welfare, gender committee, and facility for worker.
- **PPE Storage.** Observation about facility and PPE stock

- **Agrochemical storage.** Observation and interview about storage condition, agrochemical stock, OHS implementation and work procedure.
- **Hazardous waste storage.** Observation and interview about storage condition, hazardous waste stock, emergency response facility, and waste management.
- **Firefighting storage.** Observation and interview about condition about the firefighting facilities and equipment.
- **Firefighting simulation.** Observation about condition about the firefighting facilities and equipment and preparedness.
- **Fertilizer storage.** Observation and interview about storage condition, fertilizer stock, and OHS implementation.
- **Oil storage.** Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **Rinse House.** Observation and interview related to OHS and environmental aspects
- **Clinic.** Observation about facility for worker, OHS implementation and work procedure.
- **Workshop.** Observation and interview related to work procedure, OHS and workers welfare aspect.
- **Housing complex afdeling IV & VI.** Observation about facilities provided by company and domestic waste management.
- **HCV Area Makam Datuk Darah Putih (Outside).** Observations related to HCV management and potential pollution.
- **HCV Area Parit River Block H06/07, G/H05 and E/F08.** Observations related to HCV management and potential pollution.
- **HCV Area Swamp Block F04.** Observations related to HCV management and potential pollution.
- **HCV Area Siri River Block B/C08.** Observations related to HCV management and potential pollution.
- **HGU Pole No. BPN 53 and 54 Block K01.** Observation the conditions and position of legal boundary.
- **HGU Pole No. BPN 66 Block F/G03.** Observation the conditions and position of legal boundary.
- **HGU Pole No. BPN 62 Block H07.** Observation the conditions and position of legal boundary.
- **HGU Pole No. BPN 64 Block G/H09.** Observation the conditions and position of legal boundary.
- **Fire Monitoring Tower Block J05, H09, and I19.** Observation the conditions and position.
- **Landfill Block G23.** Observation the conditions, position and management related to domestic waste.
- **Replanting Area 2021 Block J21-J24.** Observations related to environmental and zero burning management.
- **Enclave Block E/F14.** Observations related to boundaries management.
- **Nurseries.** Observations and interviews with nursery workers related to OHS, work practices and also worker welfare.
- **Harvesting Block D5 Afdeling I.** Observations and interviews with harvesters regarding fruit ripeness, safe work practices, OHS and also worker welfare.
- **Fertilization. Block I13 Afdeling 4.** Observation of safe working methods and interviews with fertilizing workers regarding the type of fertilizer use according to procedures, OHS and also the welfare of workers.
- **Spraying. Blocks C5 and C6 Afdeling 6.** Observation of safe working methods and interviews with spraying workers regarding the types of pesticides used according to procedures, OHS and also the welfare of workers.
- **Uprooting woody growth. Block C7 Afdeling 6.** Observation of safe working methods and interviews with workers regarding procedures, OHS and also worker welfare.

#### Estate 2

- **Harvesting. Blok O28 Afdeling 11.** Observations and interviews with harvesters regarding fruit ripeness, safe work practices, OHS and also worker welfare.
- **Loose Fruits. Block O29 Afdeling 11.** Observation of safe work practices and worker welfare.
- **Spraying. Blok M20 Afdeling 9.** Observation of safe working methods and interviews with spraying workers regarding the types of pesticides used according to procedures, OHS and also the welfare of workers.
- **Subsidence stakes and piezometer Blocks L14 and L15 Afdeling 9.** Observations and interviews regarding the management and monitoring of peat areas.
- **Rinse House.** Observation and interview related to OHS and environmental aspects
- **Housing complex afdeling VII & X.** Observation about facilities provided by company and domestic waste management

	<ul style="list-style-type: none"> <li>• <b>Day care facility.</b> Observation and interview about facility and interview about worker welfare, gender committee, and facility for worker.</li> <li>• <b>Generator house.</b> Observations and interviews related to the implementation of OHS, employment and waste management.</li> <li>• <b>HCV Area Air Hitam PKS River Block B/C17.</b> Observations related to HCV management and potential pollution.</li> <li>• <b>HCV Area Air Hitam Belilas River Block M30/31 and N/O27.</b> Observations related to HCV management and potential pollution.</li> <li>• <b>HCV Area Buluh River Block O/P24.</b> Observations related to HCV management and potential pollution.</li> <li>• <b>Fire Monitoring Tower Block L25 and O26.</b> Observation the conditions and position.</li> <li>• <b>Landfill Block N31.</b> Observation the conditions, position and management related to domestic waste.</li> <li>• <b>Replanting Area 2021 Block K26/K27.</b> Observations related to environmental and zero burning management.</li> <li>• <b>HGU Pole No. BPN H44 Block B16.</b> Observation the conditions and position of legal boundary.</li> <li>• <b>HGU Pole No. BPN H43B Block B15.</b> Observation the conditions and position of legal boundary.</li> <li>• <b>HGU Pole No. BPN 56 Block P31.</b> Observation the conditions and position of legal boundary.</li> <li>• <b>HGU Pole No. BPN 38 Block P13.</b> Observation the conditions and position of legal boundary.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-3</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Inecda was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website on MUTU Website on 27 June 2022</li> <li>• Public consultation with NGOs (by email) on 4 July 2022</li> <li>• Public consultation meeting with government institution 12 July 2022</li> <li>• Public consultation meeting with communities on 12 July 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor 12 July 2022</li> </ul>
<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) months after date of certificate .



### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Inecda POM - PT Inecda subsidiary of S&G Biofuel PTE Ltd operation consisting of one (1) mill and two (2) oil palm estates, namely Inecda POM, Estate I and Estate II.

During the assessment, there were one (1) Nonconformities were assigned against Major Compliance Indicators and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic).

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

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1</b>	<b>BEHAVE ETHICALLY AND TRANSPARENTLY</b>	
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The company has SOP Communication, Consultation &amp; Participation No. 004-SOP-ISP revision 00 dated January 2, 2014 which explains that if there is a request for information, then management through the relevant department will provide an answer to the request for information to the external party no later than 10 days from the date the request for information is received.</p> <p>The company also has a list of publicly accessible documents with no. document FRM-ISP-P 004/04 dated January 2, 2014 prepared by HSE Officer and approved by plantation and mill managers. The documents that can be accessed by the public for example:</p> <ul style="list-style-type: none"> <li>• HGU certificates</li> <li>• Environment document</li> <li>• HCV document</li> <li>• Social Impact Assessment (SIA)</li> <li>• Vision and Mission</li> <li>• Sustainability Policy</li> <li>• Environmental Policy</li> <li>• OHS Policy</li> <li>• Quality and CSR document</li> <li>• SOPs for Handling External Conflicts</li> <li>• And others.</li> </ul>	
<b>1.1.2</b>	<p>The unit of certification can show evidence that information has been received in an appropriate form and language regarding stakeholder involvement in <i>Bahasa</i>, rights and obligations of the company that is conveyed to all relevant stakeholders, including:</p>	

### **Compliance with Social and Environment Regulation**

- Evidence of PT Inecda's RKL-RPL Report Semester 2, 2021, which was reported to the Plantation Office of Indragiri Hulu Regency and Riau Province on 25 February 2022.
- Evidence of PT Inecda's RKL-RPL Report Semester 2, 2021, which was reported to the Environmental Service of Indragiri Hulu Regency and Riau Province on 25 February 2022.
- Evidence of PT Inecda's RKL-RPL Report for Semester 2, 2021, which was reported to the Ministry of Environment and Forestry on 9 June 2022 with TTE ID of the Riau Province Environmental Service and Indragiri Hulu Regency on 26 March 2022.
- Evidence of PT Inecda's Hazardous and Toxic Waste Management Report Quarter 1, 2022, which was reported to the Environmental Service and Plantation Office of Indragiri Hulu Regency on April 14, 2022 with Document Number 114/SUS-INC-PKU/IV/2022.
- Evidence of PT Inecda's Hazardous and Toxic Materials Management Report Semester II, 2021, which was reported to the Environment Service and Plantation Service of Indragiri Hulu Regency on February 25, 2022.
- Evidence of PT Inecda's Non-Hazardous Solid Waste Utilization Report, Quarter II, 2022, which was reported to the Environment Agency of Riau Province and Indragiri Hulu Regency on April 14, 2022.
- Evidence of PT Inecda's Domestic Wastewater Management Report Semester I, 2022, which was reported to the Environment Agency of Riau Province and Indragiri Hulu Regency on April 24, 2022.
- Evidence of PT Inecda's Air Quality Management Report Semester I, 2022 which was reported to the Environment Agency, Indragiri Hulu Regency and Riau Province on 8 July 2022.
- Evidence of Report on Management and Utilization of Palm Oil Wastewater to Land for the period of June 2022 which was reported to the Environment Agency, Indragiri Hulu Regency and Riau Province on 8 July 2022.
- Evidence of Management of High Conservation Value Areas for the period of Semester 1 of 2022 which was reported to BKSDA and the Environmental Agency of Indragiri Hulu Regency on 8 July 2022.
- Evidence of PT Inecda's Fire Monitoring Report for the period of June 2022 which was reported to the Plantation Service and the Riau Province Environmental Service on 8 July 2022.

### **Compliance with Legal Regulation**

- Mandatory Reporting of Manpower with reporting number 29351.20211227.0001 date December 27, 2021.
- Registration of temporary work Agreement No. Kpts.560/Disnaker-PKWT/163 dated June 27, 2022 for 8 workers
- Registration of temporary work Agreement No. Kpts.560/Disnaker.02-PKWT/13 dated February 15, 2022 for 70 workers
- Evidence of Reporting on Investment Activities (estate) for the first quarter of 2022 has been received by the Ministry of Investment on April 6, 2022.
- Evidence of Reporting on Investment Activities (Mill) for the second quarter of 2022 has been received by the Ministry of Investment on July 12, 2022

### **Compliance with OHS and Agronomy Regulation**

- Evidence of PT Inecda's Plantation Business Development Report for Semester II 2021 which was reported to the Plantation Office of Indragiri Hulu Regency on February 17, 2022.
- Evidence of PT Inecda's OHS Committee Report for the second quarter of 2022 which was reported to the Riau Province Manpower and Transmigration Office on July 6, 2022.

#### **1.1.3**

The company has SOP Communication, Consultation & Participation No. 004-SOP-ISP revision 00 dated January 2, 2014 which explains that if there is a request for information, then management through the relevant department will provide an answer to the request for information to the external party no later than 10 days from the date the request for information is received. Based on the verification results of incoming and outgoing mail documents, it is known that all incoming letters including requests for information have been responded to by the company. For example:

- The letter dated March 8, 2022 from the Regional Revenue Agency regarding requests for data on water meter conditions and others has been responded to on March 12, 2022.
- Letter No. B-284/BPS/14.021/06.2021 dated June 24, 2022. The letter came from the Central Statistics Agency requesting information related to company data, workers and others. The letter has been responded to on June 24, 2022

#### **1.1.4**



The company has SOP Communication, Consultation and Participation No. 004-SOP-ISP revision 00 dated January 2, 2014 which explains that if there is a request for information, then management through the relevant department will provide an answer to the request for information to the external party no later than 10 days from the date the request for information is received. In this procedure it is explained that the Human Resources Development is responsible as company officers who are appointed to communicate and consult with the community. Based on result interview head of village around and government stakeholder, known that stakeholder already know the mechanism of communication and consultation with the company

#### 1.1.5

The company has a list of stakeholders which was updated on June 2022, which provides the name of the name of agency, contact name, field of cooperation, address and contact number. Auditor team has contacted some stakeholders based on stakeholder list and it is reachable. The list of stakeholders consists of:

- Government
- Head of sub district
- Village head
- Community leaders and traditional leaders
- NGO
- Contractor
- Supplier
- Labor union
- Etc.

From the results of the verification of the stakeholder list, it is known that Bathin traditional leader has not been included in the PIC list in the stakeholder list. However, the management already has a contact number and often communicates with these traditional leaders. Related to this, the company needs to ensure that the stakeholder list contains all relevant stakeholders (OFI).

	<b>Status: Comply</b>
--	-----------------------

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

#### 1.2.1

The company shows PT Inecda's Code of Ethics Policy which explains the obligations of all employees to follow the code of ethics and comply with all company policies and procedures as well as applicable regulations including respect for fair business behavior, prohibition of all forms of corruption, bribery and fraudulent use of funds and resources and proper disclosure of information in accordance with applicable regulations and accepted industry practices which was signed by the COO, CFO and CEO on August 4, 2018.

Socialization regarding this matter was delivered on June 27, 2022 to every section in the mill and estate, for example, as shown in the attendance list in the maintenance section with 14 people and the civil section with 4 people. Based on the results of interviews with contractors, for example FFB suppliers with initial NY, it can be concluded that suppliers are aware of no gratuities, bribes, etc.

#### 1.2.2

The company shows SOP No. 036-SOP-ISP on internal audit which describes the internal audit process which aims to assess the effectiveness and efficiency of the internal control system, compliance with regulations, policies, operational and financial procedures. The last internal audit was conducted on 29-31 March 2022 by 5 auditors.

Based on the results of field observations in the factory area, there was an appeal regarding the prohibition of giving tips to head employees and staff as well as a complaint contact number (SMS) 081371350000 if things such as fraud, corruption, taking company assets and bribes were seen.

	<b>Status: Comply</b>
--	-----------------------

### 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 Inecda POM certification unit is under PT Inecda, in fulfilling compliance, the company has complied with all relevant laws and regulations, namely by having the following documents:

#### **Compliance with Social and Environmental Regulations:**

- Environmental Impact Analysis (ANDAL) and RKL-RPL documents in 2008 for Oil Palm Plantation Activities covering an area of **±9,466.05 Ha** and Palm Oil Processing Factory with a capacity of **60 Tons FFB/Hour** on behalf of PT Inecda in Seberida District, Indragiri Hulu Regency, Riau.
- Environmental Feasibility Decree Number 84 of 2008 dated June 13, 2008 based on the decision of the Regent of Indragiri Hulu for PT Inecda's Oil Palm Plantation in Seberida Subdistrict, Indragiri Hulu Regency for Oil Palm Plantation Activities covering an area of **±9,466.05 Ha** and Palm Oil Processing Factory with a capacity of **60 Tons of FFB/Hour**.
- Hazardous and Toxic Waste Management Permit Document in accordance with DPMPTSP Decree of Indragiri Hulu Regency Number 16/DPMPTSP/BP-LB3/XI/2020 dated 23 November 2020. This permit is valid for a period of 5 years. The permit refers to the Recommendation for Hazardous Waste Management Permit for Storage activities given by the Head of the Environmental Service of Indragiri Hulu Regency Number 660/DLH-INHU/308 on November 3, 2020. The permit is valid for 1 (one) hazardous waste storage warehouse located in factory area.
- Surface Water Concession Permit Document based on the Decree of the Minister of PUPR Number 963/KPTS/M/2017 dated November 29, 2017 concerning the Granting of a Water Resources Concession Permit to PT Inecda for Industrial Business in the Air Hitam River which is valid for 5 (five) years. The permitted debit quota is **11.57 liters/second** or **30,000 m<sup>3</sup>/month**.
- Land Application Permit Document based on the Decree of the Environmental Service of Indragiri Hulu Regency Number 22 of 2018 dated December 18, 2018 concerning Permit for Utilization of Wastewater for Application to Land for Oil Palm Plantation of PT Inecda. The permitted area is in Estate 1 covering an area of 290.08 Ha which is spread over 9 blocks (blocks A, B and C). The permit is valid for 5 years from the date of stipulation.
- Domestic Waste Permit Documents for Factory Number 2/DPMPTSP/BL-IPAL/III/2020 and Estate Number 3/DPMPTSP/BL-IPAL/III/2020, based on the decision of DPMPTSP Indragiri Regency dated March 17, 2020. The permit is valid for 5 years from date set.

#### **Compliance with Worker Welfare Regulations:**

The determination of wages at PT Inecda is based on the minimum wage in Indragiri Hulu Regency based on the Decree of the Governor of Riau No. Kpts.1272/XI/2021 on November 30, 2021. The Minimum Wage for Indragiri Hulu Regency in 2022 is Rp. 3.097.706.

#### **Compliance with Agronomy Regulations:**

The use of registered pesticides and their distribution permits are still valid in accordance with the Regulation of the Minister of Agriculture No 43 of 2019, for example the use of the trademark pesticide Basta 150 SL, with the active ingredient *Ammonium Glyfosinate* with a permit number RI.103011992111 which is valid until 12 November 2023.

#### **Compliance with OHS Regulations:**

- The OHS Committee structure has been approved by the Manpower and Transmigration Office and the OHS Committee secretary has attended the general OHS expert training in accordance with the Minister of Manpower Regulation No 4 of 1987, for example, the OHS Committee Mill structure which was ratified in the Decree of the Head of the Manpower and Transmigration Office of Riau Province No. KEP.230/Disnakertrans-PK/SK-P2K3/X/2018 dated October 4, 2018 regarding the revision of OHS Committee at the provincial level at PT Inecda Mill which including the OHS Committee structure with the initials secretary AP.
- List of existing and valid operator licenses, for example for power and production operators with initial B with certificate No. 0761.0.08.P042.04.2022 valid until 18 November 2026 and Electrical OHS Expert with initials SM with certificate No. 29465/SERT/SKM /2022.
- Unit management has provided PPE for all workers in accordance with the Regulation of the Minister of Manpower and Transmigration No. 8 of 2010 which has been identified in HIRADC.

#### **Compliance with Legal Aspect**

- The company has land rights of 8,600.92 Ha which is divided into 8 HGU certificates (Detailed explanation in 4.4.1)
- Already has a Plantation Business Permit in accordance with the Decree of the Regent of Indragiri Hulu, number: Kpts 400/VII/2015, dated July 27, 2015 for an area of 9,466.047 Ha and Palm Oil Processing 30 tons of FFB/hour for unit I and 45 tons

FFB/hour for unit II

- Has a plantation class assessment result with category II (good) according to the Decree of the Regional Secretary of Indragiri Hulu Regency, number 870/ Distankan-Bun/ I/ 2020

### 2.1.2

The unit of certification has a list of legal regulations contained in the Summary and Review of Conformity with Regulations and Legislations and Other Requirements. The regulations cover aspects of agribusiness, employment, environment, and other regulations related to the company operational activities i.e.:

- PP No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs
- PP No 36 of 2021 concerning Wages
- PP No 37 of 2021 concerning Job Loss Guarantee
- PermenLHK Number P.12 of 2020 concerning Storage of Hazardous and Toxic Waste
- Regulation of the Minister of Manpower number 4 Of 2022 concerning payment procedures and terms for "*Jaminan Hari Tua*"

Evaluation of law registers for contractors is explained in more detail in 2.2.2. In addition, an internal RSPO audit has also been carried out to ensure contractor compliance with regulations on 18 - 20 April 2022. The company also shows the Minutes of Management Review on 27 June 2022. Aspects discussed include company policies, operational conditions in 2021, internal audit results, and compliance with laws and regulations

### 2.1.3

The company has procedures for maintaining HGU boundaries in the Boundary Marking Procedure document/Boundary Mark No. 040-SOP-AGR 2nd revision dated October 3, 2019. The procedure describes the inventory of HGU stakes, monitoring of HGU pole, maintenance of HGU pole, and boundary marking standards. Monitoring of HGU pole is carried out every 3 months by monitoring officers/foremen who have received instructions from their respective supervisor. The maintenance of the HGU pole is carried out by numbering the HGU pole, painting the boundary pole, and cleaning the location of the pole.

Based on the results of monitoring the HGU pole which were last carried out in June 2022, it is known that all the conditions of the HGU pole are in good condition. Based on the results of field visits to HGU INC H44 Block B16, HGU INC H43B block 15 and INC 56, it is known that the condition of the stake is in good condition according to the monitoring results.

Thus, it can be concluded that the company has carried out the maintenance of HGU boundaries.

**Status: Comply**

## 2.2

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

### 2.2.1; 2.2.2; and 2.2.3

The company already has a list of contractors included in the stakeholder list. The list of contractors includes all third parties working with PT Inecda such as hazardous waste transport contractors, FFB transport contractors, EFB transport contractors, contractors for house construction work, replanting contractors and others. The list of stakeholders informs the name of the agency, contact name, field of cooperation, address and contact number. The company has shown examples of agreement with contractors and supplier that have contained clauses regarding legal compliance obligations, such as:

- Agreement for shell transport No. 09/ST/INC-PKU/PRC/PT. A/II/2022 dated February 10, 2022
- Agreement for FFB transport No. 25/TBS/INC/BMJ/V/2022 dated May 21, 2022.
- Agreement for EFB transport No. 31/ASJ/KBN II-INC/CV.MR/VI/2022 dated June 8, 2022.
- Agreement with FFB supplier No. 035/PJBTBS/INC-PKU/MKT/L/IV/2022 dated on April 9, 2022

In the agreements have been explained about:

- Obligation to use PPE
- Obligation to provide a list of workers
- Prohibition of employing children under 18 years old
- Obligation to register all workers with BPJS
- Prohibition of employing children, forced labor practices and the practice of human trafficking

- Obligation to provide PPE to workers
- Comply with the applicable regulations in Indonesia as well as the rules that apply in the company

The company has shown documentation of legal compliance by the contractor, for example:

**PT Pandawa Satria Nusantara**

- Number of workers: 16
- Salary slips for of May 2022 for contractor workers. For example, with initial RDS. The wages are in accordance with the Minimum Wage for Indragiri Hulu Regency in 2022
- Evidence of BPJS Employment for June 2022, Payment on June 30, 2022
- Evidence of BPJS Health for June 2022, Payment on June 30, 2022

**CV Prima Nusantara**

- Total workers 55 workers
- Evidence of payment for BPJS employment on May 31, 2022
- List of wages for workers with the lowest wage value of Rp. 130,000/HK. The wages are in accordance with the Minimum Wage for Indragiri Hulu Regency in 2022
- Evidence of handover for giving PPE on May 20, 2022

**Bumdes Bumi Jaya**

Based on the results of the verification of documents for compliance with the *Bumdes* Bumi Jaya regulations, it is known that the BPJS for employment of *Bumdes* Bumi Jaya workers is still in the registration process. A statement letter from the *Bumdes* management along with other documents has been shown which explains that the BPJS employment is still in the process of being managed because some administrative requirements have not been completed by the workers. However, in the agreement between the contractor and workers it is explained that the second party / worker will receive medical services in the event of a work accident. In this regard, the company needs to ensure BPJS employment for *Bumdes* Bumi Jaya contractor workers (OFI).

The company has also evaluated contractors which includes:

- Accuracy of completion schedule
- Completeness and eligibility of HR
- Compliance with company rules and support for Management System Implementation
- Discipline in using PPE
- Ability to reach Zero Accident
- Etc

Status: Comply

**2.3**

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

**2.3.1 & 2.3.2**

Based on the document review, it is known that the direct FFB supplier for Inecda POM is KKPA as follows:

- Jasa Pesikaian Sukses Bersama Cooperative
- Petalongan Makmur Jaya Sejahtera Cooperative
- Pematang Jaya Sejahtera Cooperative

The Company also obtains FFB indirectly through a third party (Agent). The FFB from the third party (Agent) is obtained from the surrounding community/Farmers. The agents are Bukit Karang Sawitri and Nuryani. The company can show geolocation information from FFB and proof of land ownership status from the community/Farmers who sell FFB to the agent. The list of suppliers is as follows:

- Liana
- Nuryani
- Nuryani.
- CV Sawit Alam Permai

The company uses the *Koltiva* application to record geolocation information data and proof of ownership of the FFB originating land.

in the application can also be seen a map of the polygons of the farmer plantation.

**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 long-term planning document that is described in a 5 (five) year plan for the period 2021 to 2025 which projects the planting area, FFB production, CPO, Kernel, Replanting, OER, KER and so on. For example, in the following table:

DESCRIPTION	UNIT	YEAR				
		2021	2022	2023	2024	2025
FFB Processed	Ton	197,340	198,660	270,000	270,000	270,000
CPO Production	Ton	42,428	42,712	58,050	58,050	58,050
OER	%	21.50	21.50	21.50	21.50	21.50
Production PK	Ton	9,867	9,933	13,500	13,500	13,500
KER	%	5.00	5.00	5.00	5.00	5.00
FFB Production in own estate	Ton	142,839	164,312	163,863	163,584	162,142

The results of document verification, it is known that the company has a long-term plan which is described in a 5 (five) year plan and an evaluation is carried out every year to ensure the continuity of the plantation business.

##### **3.1.2**

The company can also indicate the projected replanting program or plan over the next 4 years, as described below:

- Year 2022: 325.55 Ha
- Year 2023: 172.76 Ha
- Year 2024: 115.81 Ha
- Year 2025: 88.09 Ha

##### **3.1.3**

The company shows the Management Review SOP No 037-SOP-ISP which explains the management review process and its implementation which is carried out periodically. The last management review was carried out on June 27, 2022 which was attended by 22 people who discussed the results of internal audits, customer feedback, process performance and product conformity, status of preventive and corrective actions, follow-up of management reviews, changes that may affect the management system and recommendations for improvement.

**Status: Comply**

#### **3.2**

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

##### **3.2.1**

The certification unit already has a system to improve existing practices, in accordance with the latest information and techniques as well as a socialization mechanism for all workers following current technological developments. The unit of certification also develops guidelines for farmers by providing systematic training for continuous improvement. Some of the evidence that has been applied for continuous improvement include:

##### **Social and Environmental Aspect**

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable energy accordance to reduce the use of fossil fuels.

- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality management and monitoring through several action like road maintenance, air quality testing, routine maintenance of vehicles and machines and vehicle upgrades.
- Management and monitoring of surface and groundwater through testing the quality standard.
- Green House Gas Management and using land clearing with mechanical and zero-burning policy.

### **Social and Environmental Aspect**

- Drones for main census activities, mapping, security surveillance, hotspot monitoring (with night vision).
- Mechanization of transporting FFB using a grabber when transporting FFB from the TPH, and put it in the truck-bin.

### **3.2.2**

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

Name of RSPO Member	: S&G Biofuel PTE. LTD
RSPO Membership Number	: 1-0238-17-000-00
Name of Certified Unit	: Inecda POM
Name of Certification Body	: Mutu International
RSPO PalmTrace ID Number	: RSPO_PO1000004128
Number of Mills	: 1
Number of Estates	: 2
Production Area (ha) - Estate	: 7,133.20
Certified Area (ha) - Estate	: 8,600.92
High Conservation Value (HCV) Area (ha)	: 41.71
Peatlands - Planted (ha)	: 5,118.95
Peatlands - Unplanted (ha)	: 25.82
Freshwater Usage per PO produced tons	: 5.32
Average LTIFR	: 5.80
Total Workers	: 107
% of Local Workers of Total Workers	: 100%
% of Non-Local Workers of Total Workers	: 0%
% of Contract Workers of Total Workers	: 2.8 %
% of Female Workers of Total Workers	: 1.9 %
% of Young Workers	: 0 %

**Status: Comply**

### **3.3**

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

#### **3.3.1**

#### **Agronomy SOP**

The company has agronomic procedures that are approved by the Chief Financial Officer (CFO) and Chief Operating Officer (COO), for example as follows:

- SOP for Land Suitability Survey No. 001-SOP-AGR/Rev01.
- SOP for Nursery Management - Site preparation and selection No 002-SOP-AGR/Rev01.
- SOP for Land Clearing and Replanting No. 015-SOP-AGR.
- SOP for Mature Weed Control No 022-SOP-AGR.
- SOP for Standard Harvesting No 035-SOP-AGR/Rev01.
- SOP for Transportation and Delivery of FFB to Mills No. 036-SOP-AGR/Rev01.

#### **Processing/Mill SOP**

The company also has procedures for palm oil mills starting from the receipt of FFB, processing to the delivery of CPO & PK for mill



operations, for example as follows:

- SOP for FFB Receipt No. 001-SOP-POM.
- SOP for FFB Pricing No. 002-SOP-POM/Rev01.
- SOP for Sterilizer - Sterilization No. 003-SOP-POM.
- SOP for Measurement of CPO Quality No. 009-SOP-POM.
- SOP for Delivery of CPO, PK, or PKO No. 013-SOP-POM.

### Product Traceability SOP

The company also has product traceability procedures, including the following:

- SOP for ISPO Supply Chain No 015-SOP-POM.
- SOP for RSPO Supply Chain No 016-SOP-POM/Rev-04.

### 3.3.2-3.3.3

The company shows SOP No. 036-SOP-ISP on internal audit which describes the internal audit process which aims to assess the effectiveness and efficiency of the internal control system, compliance with regulations, policies, operational and financial procedures. The last internal audit was conducted on 29-31 March 2022 by 5 auditors with 2 recommendations for improvement. Furthermore, recommendations for improvement from the results of the internal audit have been carried out, the latest on June 30, 2022.

The company also has a list of contractors who are included in the stakeholder register. The list of stakeholders contains the name of the agency, contact name, field of cooperation, address and contact number. The company has shown examples of agreements with contractors and suppliers that contain clauses on legal compliance obligations, such as Obligation to use PPE, Obligation to provide a list of workers, Prohibition of employing children under 18 years old, etc. The company has demonstrated documentation of legal compliance by the contractor, for example:

### PT Pandawa Satria Nusantara

- Number of workers: 16
- Salary slips for of May 2022 for contractor workers. For example, with initial RDS. The wages are in accordance with the Minimum Wage for Indragiri Hulu Regency in 2022
- Evidence of BPJS Employment for June 2022, Payment on June 30, 2022
- Evidence of BPJS Health for June 2022, Payment on June 30, 2022

Status: Comply

### 3.4

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

#### 3.4.1

The certification unit already has several documents related to social and environmental impact studies that are carried out independently or participatively by involving affected stakeholders in collaboration with independent experts who have been accredited. Some of the documents held by the certification unit are as follows:

#### Environmental Impact Assessment (EIA)

The Inecda POM certification unit is under the company PT Inecda, the company already has an Environmental Impact Assessment (EIA) document that has covered all areas that fall within the scope of certification and can be proven based on environmental documents as described in indicator 2.1.1 with an environmental permit owned are as follows:

- Environmental Impact Analysis (ANDAL) and RKL-RPL documents in 2008 for Oil Palm Plantation Activities covering an area of **±9,466.05 Ha** and Palm Oil Processing Factory with a capacity of **60 Tons FFB/Hour** on behalf of PT Inecda in Seberida District, Indragiri Hulu Regency, Riau.
- Environmental Feasibility Decree Number 84 of 2008 dated June 13, 2008 based on the decision of the Regent of Indragiri Hulu for PT Inecda's Oil Palm Plantation in Seberida Subdistrict, Indragiri Hulu Regency for Oil Palm Plantation Activities of **±9,466.05 Ha** and Palm Oil Processing Factory with a capacity of **60 Tons of FFB /jam**.

In the document above there is information related to environmental aspects and parameters that must be monitored and managed along with information on targets and implementation times contained in the UKL-UPL matrix. The document has also covered all aspects of plantation and mill activities as well as their changes throughout the operational activities. The sampling methodology used

is also participatory involving external stakeholder groups for the purpose of identifying impacts. Based on the verification of these documents, it can be concluded that all environmental impacts from plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

### **Social Impact Assessment (SIA)**

The company already has a social impact identification document listed in the 2017 PT Inecda Oil Palm Plantation Social Impact Assessment document by PT Sonokeling which was conducted in September – October 2017. There is a Social Impact Assessment (SIA) socialization meeting / Public Consultation, on 19 – 23 September 2017 with 104 participants, including representatives from surrounding villages, community leaders and representatives from PT Inecda. Evidence of community involvement in the form of attendance lists, photos of implementation and examples of questionnaire attachments in the SIA document for 10 surrounding villages. The assessment method is carried out using a list of questionnaires that have been prepared through an interview system and data measurement.

The SIA study explains the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs and culture of the village communities around the company, environmental management efforts in the social, economic and cultural fields by PT Inecda and community perceptions of the existence and benefits of PT Inecda. Social impact assessments are included as part of the complement of all environmental impact assessments. The assessment involved all affected parties, both internal and external stakeholders, including employees, trade unions, village heads around the plantation, local NGOs and plasma farmers with a total of 76 representatives of relevant stakeholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. In addition, the SIA study has also been disseminated to villagers and stakeholders in the affected area with evidence of an invitation to the Socialization conducted on 23 September 2017. identified.

Community representatives who became resource persons in this assessment were village heads, village officials, and traditional leaders. The types of data collected are primary data and secondary data. Primary data collection for monitoring the management of social impacts is obtained from relevant stakeholders as affected parties as well as local village officials who represent the community and as verifiers. Secondary data or indirect data collection is carried out by means of literature studies through various references such as environmental assessment documents, HCV assessment documents, local government literature, CSR implementation records, company internal data, correspondence between companies and affected parties, local news and news. national and so on. All of these data sources are used as consideration for social impact management recommendations. Based on the verification of these documents, it can be concluded that all social impacts from plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

### **High Conservation Value Assessment (HCVA)**

The Company already has a Report on Identification and Analysis of the Presence of High Conservation Value (HCV) in the Permit Area of PT. Inecda, Indragiri Hulu Regency, Riau Province in collaboration with PT Sonokeling Akreditasi Nusantara in 2013 and has been peer reviewed by Siti Badriyah Rushayanti. The methodology for identifying HCV areas refers to the Guide to Identification of High Conservation Value Areas in Indonesia (the Indonesian Consortium for the Revision of HCV Toolkit, 2008). In the document, a Map of High Conservation Value Areas with a scale of 1:80,000 is available. This activity is carried out for the scope of PT Inecda where there are 2 Estates in it. Based on this study, it is known that the HGU area of PT Inecda is **±9,443.386 Ha** with a total HCV area of **2,540.72 Ha** in the form of river borders, mixed gardens, reservoirs, sacred places, and peat areas. The report also contains a matrix of High Conservation Value Area Management and Monitoring Plans which contains recommendations for the management of all identified HCV areas.

The company again verified all HCV areas as identified by internal assessors on 20 August 2018 and externally on 19 February 2019. The final results of the identification of the conservation areas with the latest total HCV area of **41.71 Ha**. Regarding changes in these areas, it is explained in more detail in indicator 7.12.2. Based on the verification of these documents, it can be concluded that all areas with high conservation potential and protected areas have been identified and their management recommended with reference to the relevant environmental management guidelines.

### **3.4.2**

The certification unit has made efforts to manage and monitor social and environmental impacts that are carried out independently by involving affected stakeholders. Some evidence of documentation of activities that have been carried out are as follows:



**Environmental Impact Assessment (EIA)**

Based on the results of the verification of the RKL-RPL document for Semester 1 of 2022, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. The certification unit has also evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the evaluation results, it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations show no indication of environmental pollution in the area around the company, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the compatibility between the management and monitoring plans and their implementation in the field. several things that can be concluded from the results of the study of the RKL-RPL document for Semester 1 of 2022, among others:

- Preventing soil, water and air pollution by reducing the use of chemicals, managing waste properly and complying with proper waste disposal in each area.
- Carry out efforts to save the environment by protecting areas important for environmental sustainability.
- Manage and monitor the impact of potential land fires.
- Manage and monitor the quality of soil, air, water and other disturbances.
- Utilizing solid waste from palm oil mills as a substitute for fertilizers and fossil fuels.

This can also be proven from the results of field observations in the EFB storage area, the WWTP area and the Water Intake area as well as the conservation area. The results of interviews with the community around the company also stated that they did not feel any environmental impacts related to the company's operational activities. The company has also carried out environmental management in accordance with the RKL-RPL by installing signboards for conservation areas, markings in the form of stakes and yellow paint for spray boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilization officers, they also stated that they were aware of the prohibition on the use of chemicals in the buffer zone marked in yellow. In addition, they do not use chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds.

The unit of certification has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, as described in indicator 1.1.2, for the second semester of 2022 RKL-RPL reports have not been sent to the relevant agencies because they have just been compiled. Based on the results of interviews with the Environmental Service regarding reporting on the implementation of RKL-RPL, the certification unit routinely does this and up to the time the audit was conducted there were no complaints or conflicts related to the environment from NGOs or local communities around the company. As for the issue obtained from the media regarding the smell caused by the EFB spill in April 2021, this has been verified in the surveillance audit-2 and the company can also show the minutes regarding this matter. Based on the results of interviews with the affected villages, this happened because there was an EFB truck carrying an accident, so the cargo that was carried spilled in the community housing area. However, the company was able to immediately follow up on the incident quickly and the impact of the odor felt was gone within 3 days.

**Social Impact Assessment (SIA)**

Documents resulting from the 2017 SIA study are used as a guide in the preparation of social impact management programs which are updated annually, for example, PT Inecda's 2022 Social Impact Management Program document. In the document there are several social programs, including:

- Development of plasma plantations.
- The company plans to build a clean water installation in Petalongan Village.
- Watering the road regularly 2-3 times a day.
- Make a routine schedule as well as material and heavy equipment assistance for road repairs passed by FFB trucks.
- Assist in improving the technical capacity and skills of the community to conduct entrepreneurship, provide business capital through CSR programs, and provide training and skills to the community
- Conduct socialization to the community so as not to be tempted by illegal bank offers, foster and provide knowledge to employees and the surrounding community to manage finances, provide training to village administrators, and invite the community to empower them to grow vegetable crops so that they can meet their needs.
- Providing regular social assistance to the surrounding community, improving the economy through cooperation with companies, opening job vacancies, and improving community welfare through community empowerment programs and other programs adapted from fluctuations in social conditions in the field.

Program planning is carried out based on the results of the Focus Group Discussion in January 2022 conducted with stakeholders including the village community around the company, as well as the results of the potential and risk analysis with attached evidence of documentation and attendance. The program is a general plan that will be implemented by the company based on an analysis of stakeholder needs and stakeholder mapping related to the company, either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication and cooperation with all stakeholders.

The company also evaluates the Management Plan annually to monitor the progress of program management, for example, there are programs that need to be stopped, continued or added. The evaluation of the program refers to the results of the 2021 Social Impact Monitoring and Management document conducted on January 17, 2022, the evaluation activity is also a reference in the preparation of the 2022 program. Based on the verification results of the 2021 Social Impact Monitoring and Management document, it can be concluded that all activities stated in the 2021 Social Impact Management Plan has been implemented. The document also includes social programs to avoid/mitigate negative social impacts, partnership programs for farmers, human rights, CSR programs, gender equality, education and public health.

Based on the results of consultations with worker representatives, there is no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, public facilities. educational infrastructure (schools), and other facilities. The company also allocates resources for the maintenance of the entire facility. The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans.

Based on the results of field observations and external stakeholder interviews related to the management of social impacts carried out by the company for the period of 2021, it can also be concluded that there are no issues related to social impacts that have not been identified by the company. However, based on the results of verification through online media and the submission of complaints on the RSPO website, it shows that there are social issues related to the Talang Mamak indigenous people. Based on the results of verification through field observations, document review, and interviews with various sources, it is concluded that the company has tried to manage the issue but until the time of the audit, the social issue has not been resolved. A detailed explanation of these issues is explained in component **3.5 Summary of Arising Issues from Public and Auditor Verification**.

Related to this, it can be concluded that the company has prepared an environmental impact management plan referring to the results of the initial identification of the 2017 Social Impact Assessment (SIA), which in the program has explained in detail the stages and mitigation. However, when the surveillance-3 audit was carried out, several potential social issues were found that need to be managed immediately by the company, so as not to cause wider and/or prolonged social conflict. Based on this, the company has the opportunity to make improvements in the preparation of a more comprehensive social impact management program by involving the participation of all stakeholders to mitigate potential social conflicts. **OFI**.

### **3.4.3**

The unit of certification has made efforts in implementing the management and monitoring of social and environmental impacts as described in indicator 3.4.2. In addition, the certification unit also makes efforts to periodically update the management in a participatory manner. Some documentary evidence of the efforts that have been made are as follows:

#### **Environmental Impact Assessment (EIA)**

The company involves the Department of Environment and the Ministry of Environment and Forestry to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents sent every certain period which can be proven in indicator 1.1.2. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. It aims to obtain advice and advice in carrying out environmental management in accordance with the vision, mission and government programs so that they can run synergistically. This can be proven based on the results of an interview with the Environmental Service of Indragiri Hulu Regency who conducted a field visit around December 2021. Monitoring and updating related to environmental impact management is also carried out in conjunction with an evaluation of HCV management which is described in more detail in indicator 7.12.4. However, in general, all recommendations from the evaluation of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

#### **Social Impact Assessment (SIA)**

Based on the analysis of the 2021 Social Impact Management Report document, the social impacts in this assessment are divided into positive impacts and negative impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. The company has analyzed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts annual evaluations to harmonize data collection related to public perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field.

In January 2022 the company has reviewed the management of social impacts for the period 2021 and developed a social management plan for the period 2022, in which the process has been participatory by involving relevant stakeholders. In the review activity, the company applied the 7 principles of the RSPO regarding plantation development that is responsible for social and environmental aspects with reference to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, village heads, land owners around the company's area, independent smallholders, and all affected parties.

Based on the results of the review of the review document, companies are encouraged to carry out more in-depth mapping of key stakeholders, for example for external stakeholders by paying attention to issues related to the existence of indigenous peoples who submit complaints as circulated in online news and the RSPO website. Furthermore, the results of the document review and interviews with management and stakeholders (internal and external) revealed that the company has managed issues that could have a social impact in 2021, but there are several potential social conflicts that may occur, including:

- **Plasma Plantation:** Plasma development has only been carried out for people who come from outside (transmigration) while for local communities from 3 villages (Talang Suka Maju Village, Talang Sei Limau Village, and Talang Sei Parit Village) plasma development has not yet been realized. Related to this, there can be potential for social jealousy to arise.
- **Indigenous People:** There are demands from representatives of indigenous peoples (Bathin) who demand customary land where the location is the company's operational area. However, the interview results show that other indigenous peoples do not support this matter. The demands arose from the presence of outside parties who intervened. In addition, these outsiders spread the issue that representatives of indigenous peoples who supported the company were figures who were bribed by the company. In this regard, there may be a potential for conflict between indigenous peoples to arise.

Based on this, the company has identified and mitigated social issues that arise and established a program for managing social impacts listed in the social impact management program in 2022. Related to this, the company has been able to fulfill OFI on surveillance-2. However, due to the high potential for conflicts that have the potential to arise in the company's operational areas, the company has an improvement opportunity to re-make potential conflicts to avoid social conflicts as stated in OFI in indicator 3.4.2.

<b>Status: Comply</b>
-----------------------

### 3.5

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

##### 3.5.1 & 3.5.2

The company has Human Resources System as follows:

- Employee recruitment procedures with document number 001-SOP-HRD revision number 01 effective April 1, 2018 are approved by the Chief Finance Officer (CFO) and the Chief Operation Officer. This SOP aims to ensure that the recruitment process is good in order to meet the needs of qualified human resources as expected by the company.
- Employee Performance Assessment Procedure SOP No. 003-SOP-HRD revision 00 dated January 2, 2014. The procedures for evaluating employee performance in general are as follows:
  - Employee performance assessment is carried out on every permanent employee who has worked continuously for 1 year which is carried out periodically once every year
  - The head of each department/manager conducts an annual employee appraisal
  - The results of the annual performance appraisal will be used in evaluating employees and determining the provision of compensation or other benefits

The company also has a Collective Labor Agreement which also explains the HR Management System, including:

- Appointment of permanent employees (article 12)
- Promotion (article 14)

- Termination of Employment (CHAPTER XII), which consists of:
  - Termination due to retirement
  - Termination due to violation of rules
  - And others.

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

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

#### **Recruitment**

- Recruitment documentation with the initials AP and RS such as job application letters, results of health checks, ID cards, diplomas, Family card and others.

#### **Appointment as permanent worker**

- Recommendation Letter No. 369/INC/HRD/VI/2022 dated June 14, 2022 regarding Recommendations for employees with a probationary period who are proposed to be permanent worker. The company also attaches the results of the employee assessment and has been declared Passed.
- Letter of appointment of permanent worker No. 005/HRD/INC-PKS/V/2022 dated May 18, 2022 with initial YA.

#### **Termination due to violation of rules**

A Collective Agreement on Termination of Employment due to a violation. For example, a worker with the initials SG dated 18 September 2021 and initials MS on 17 February 2022 which has been signed by both parties. Based on the letter of termination of employment, for example, no. 407/INC/SBE/HRD/IX/2021 dated September 22, 2021, it is known that workers who have been laid off have made serious mistakes. The company has also shown evidence of the transfer of the rights of the termination workers. For example, with initial SG transferred on February 9, 2022 through Bank BRI.

The results of interviews with representatives of Labor Unions known that the problem of termination was caused by serious mistake and had been resolved by both parties. Workers' rights have been granted to workers who have been lay off.

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

<b>Status: Comply</b>
-----------------------

### **3.6**

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

**3.6.1**  
The Company has a policy signed by the Chief Operational Officer, Chief Financial Officer and Chief Executive Officer on 27 June 2013 regarding the Establishment of the applicable Quality, OHS and Environmental and Social Responsibility Policies. The policy has been socialized, including shown in the Minutes of Socialization of Corporate Policy and OHS Implementation on 27 June 2022 which was attended by 39 participants.

The company also demonstrates the 001-SOP-ISP procedures regarding ASDAM (Impact Aspects) and HIRAC (Hazard Identification Risk Assessment Control) with the aim of assessing the risks of all operating activities and reviewing them (evaluation and correction) at least once a year. The company shows the Hazard Identification Form, Environmental Impact Analysis and OHSE Risk Assessment compiled by the OHS Expert and approved by the Plantation Manager updated on 28 April 2022 which includes activities/work processes including land clearing, seeding, planting, land maintenance, harvesting and transportation, fertilization, spraying, warehouse, filling station, temporary storage of hazardous and toxic waste, polyclinic, electrical installation, generator house, lawn mower, infrastructure (heavy equipment, road maintenance), infrastructure (civil), estate office, workshop, harvest mechanization, housing, fire patrols, environmental monitoring, owl monitoring, *Oryctes* netting and thorn fences for *Antigonon*.

### 3.6.2

The company shows SOP No. 005-SOP-HRD regarding employee health checks which explains in point 6.2 point 1 that the company through HRD is obliged to carry out periodic checks every year on employees. The last medical examination was carried out on November 29 – December 3, 2021, which was attended by 104 mill employees and 1,027 estate employees, but no Fixed Period Working Agreement workers had a health check.

Based on the field visit, it was found that a number of Fixed Period Working Agreement employees in Estate 1 as many as 2 people (upkeep workers) with a working period of 10 months and at Estate 2 as many as 2 people (fertilizer workers) with a working period of 4 years, however, it was conveyed by the personnel that there had never been a medical examination while working at the company.

Based on the above study, the company has not been able to show evidence that regular health checks have been carried out for Fixed Period Working Agreement workers (especially those who work with chemicals) to monitor OHS risks in people in accordance with company procedures and Regulation of the Minister of Manpower and Transmigration No. 2 of 1980 concerning health checks for workers in the implementation of work safety, which explains in article 3 paragraph 2 that all companies must carry out periodic health checks for workers at least once a year. **This becomes Non-conformity No. 2022.01 with Major categories.**

3.6.2	Status: Non-conformity No. 2022.01 with Major categories.
-------	---

### 3.7

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

#### 3.7.1

The company showed the Training Program for each unit in 2022 that cover all aspects of the P&C RSPO. The training also covers parties who need training such as staff, workers, smallholder and contractors. As for sustainability team and HR department are responsible for the development of the training program scheduling and implementation of training. The training program document informs type of training, plan / timetable and attendance. The 2022 training programs such as:

- OHS and First Aid
- Pesticide management training
- Fertilization training
- Environmental training
- Electrical OHS
- Harvesting SOP
- SOP for complaining
- Hazardous waste training
- Maintenance training
- And others.

#### 3.7.2.

The company already has training records, such as:

- Minutes of meeting pesticide management training on March 10, 2022 to 26 participants
- Minutes of meeting the first-aid and OHS training on 7 July 2022 to 31 participants
- Minutes of meeting OHS workshop events on January 13-14, 2022 to 40 participants
- Minutes of meeting harvest employee training on March 11, 2022 to 12 participants
- Minutes of meeting socialization of NDPE, human rights, code of ethics, protection from sexual harassment and the prohibition of employing children under the age on February 25, 2022 to 8 participants
- Minutes of meeting maintenance training on January 12, 2022 attended by 36 participants
- Minutes of meeting IPM training on 26 April 2022 attended by 39 participants.

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



### 3.7.3

The company showed the SCCS socialization and training minutes on June 29, 2022 which was attended by a total of 20 participants from staff representatives, sorting officers, cranes, weighing officers, security, and contractor representatives. Based on the results of interviews with weighing and security officers and because of production, it is known that the personnel who handle the supply chain already have a good understanding, especially about the source of FFB.

**Status: Comply**

## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1 & 3.8.2

Inecda POM applies the MB module because it still receives FFB from uncertified sources

#### 3.8.3

Estimated certified product recorded in the last Assessment Report and Certificate, and updated in the RSPO Palm Trace. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount taking into account the last year production. The data are shown in the following table:

Product	Estimate Production (MT) period of October 28, 2021 – October 27, 2022	Actual Production (MT) of previous audit (July 2021 to June 2022)	Estimate Production for 12 months (MT)
FFB	177,000	154,313.24	162,300
CSPO	37,692	32,741.08	37,250
CSPK	8,340	6,878.91	7,300

\*Estimated production is obtained from actual production one year prior to the assessment (July 2021 – June 2022)

#### 3.8.4

The mill has met the requirement regarding to the reporting of its supply chain, as it has been registered as RSPO member and on RSPO IT Platform:

- Member Name: Inecda Palm Oil Mill - PT Inecda
- License ID: CB87143
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000004128
- RSPO Membership Number: 1-0238-17-000-00 (S&G BIOFUEL PTE. LTD)
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

#### 3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain (No. 016-SOP-POM, revision 04 dated 1 July 2020). These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

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

#### 3.8.6

In the procedure of RSPO Supply Chain (No. 016-SOP-POM, revision 04 dated 1 July 2020) it is explained that the internal audit activity for SCCS is carried out at least once a year. Based on document review, the company show the record evidence regarding internal audit of RSPO SCCS that conducted on 18 – 20 April 2022. Based on result of internal audit, concluded that all of SCCS indicators has been complied with RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Management Review of RSPO SCCS implementation conducted on 27 June 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process perform and product compliance, follow up of previous management review, actions taken regarding the findings and recommendation for improvement.

### 3.8.7

Product	Estimate Production period of 28 October 2021 – 27 October 2022	Actual Production (MT) of previous audit (July 2021 to June 2022)
FFB	177,000	154,313.24
CSPO	37,692	32,741.08
CSPK	8,340	6,878.91

Based on the table above, it is known that there has been no overproduction between the license quota and the actual production. Related for handling non-conforming oil palm products, has been set in SOP of RSPO Supply Chain (No. 016-SOP-POM, revision 04 dated 1 July 2020).

### 3.8.8

Based on document verification obtained information in the license period it was known if the certified product sold under RSPO as described in the table below:

	Dispatch period (MT) (July 2021 – June 2022)
CSPO sold under RSPO Scheme	32,389.03
CSPO sold under another scheme	-
CSPO sold as conventional	-
CSPK sold under RSPO Scheme	6,840.66
CSPK sold under another scheme	-
CSPK sold as conventional	32.16

Product	Actual Production (MT) of previous audit (May 2022 to September 2022)
FFB	154,313.24
CSPO	32,741.08
CSPK	6,878.91

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents shown include:

<b>Seller</b> Member Name: Inecda Palm Oil Mill Member ID: RSPO_PO1000004128	<b>Product Details</b> Product Name: CSPO Supply Chain Model: Mass Balance Volume: 250 MT
<b>Buyer</b> Member Name: PT Nagamas Palmoil Lestari Member ID: RSPO_PO10000002300	<b>Transport</b> Shipping/BL Date: 13/01/2022
<b>Transaction</b> Seller Contract Number: 02/CPO/INC/II/2022 Seller reference Number: 02/DO/CPO/INC/II/2022	<b>Traceability</b> Transaction ID: TR-bae6625b-1fdc Creation date: 21/01/2022 Confirmation date: 24/01/2022

### 3.8.9

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of certified products (CPO and PK) is outsourced to the third parties. Currently, there are 7 contractors for CPO and PK transport, for instance as shows through several Work Agreement as follows:

- Agreement with CPO Transporter of CV Mestika Jaya No. 041/KPPCPO/MKT/MKT/INC-CV.MJ/V/2022 dated 23 May 2022, valid thru 31 May 2023.

- Agreement with CPO Transporter of PT Wijaya Manggala Premier Lestari No. 045/KPPCPO//MKT/INC/PT.WMPL/V/2022 dated 23 May 2022 valid thru 31 May 2023.

In article 6 of the agreement, it is also written that the second party is willing to provide access for the benefit of the company audit, both internal and external

### 3.8.10

The Mill has the record of details of the contractors, covers the contractor company profile, address, contact person, email and phone number, contract agreement and period, and list of vehicles. The following are the details of the transporters in collaboration with the company i.e.:

- CV Liliana Jaya Sejati
- CV Mestika Jaya
- PT Wijaya Manggala Premier Lestari
- PT Marga Dinamik Perkasa
- PT Sumatrasarana Sekar Sakti
- PT Cahaya Timur Sarana Mandiri
- CV Shaqila Artha Jaya

### 3.8.11

The Mill has reported the CB related the new contractors compared to previous audit before the opening meeting of ASA-3.

### 3.8.12

Inecda POM has record of all Certified FFB, CSPO and CSPK as presented in the table below:

**FFB:** July 2021 to June 2022: 154,313.24 MT

**CSPO:**

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)			Total	Stok CPO	
	Cert	Non-Cert		RSPO	Another scheme	Non-Cert		Certified	Non-Certified
July 2021 – June 2022	32,741.08	3,810.73	36,551.82	32,389.03	-	3,651.64	3,651.64	352.05	159.09

**CSPK:**

Period	CSPK production (MT)		Total	Cert PK Dispatch (MT)			Total	Stok PK	
	Cert	Non-Cert		RSPO	Another scheme	Non-Cert		Certified	Non-Certified
July 2021 – June 2022	6,878.91	860.18	7,739.09	6,840.66	-	900	900	38.25	(32.16)

Based on the mass balance calculation, it is known that:

- CSPO production is 32,741.08 MT and sold as RSPO certified for 32,389.03 MT so that CSPO stock is 352.05MT
- CSPK production is 6,878.91 MT and sold as RSPO product amounting to 6,840.66 MT and as conventional with amount 32.16 MT so that CSPK stock is 6.09 MT

### 3.8.13 & 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for July 2021 until June 2022 i.e. OER 20.80% and KER 4.40%. Periodically update of extraction is actual extraction

### 3.8.15

Inecda POM applied MB module

### 3.8.16

Inecda POM during July 2021 – June 2022 (12 Month before audit) performs the following transactions:



- CSPO production is 32,741.08 MT and sold as RSPO certified for 32,389.03 MT so that CSPO stock is 352.05MT
- CSPK production is 6,878.91 MT and sold as RSPO product amounting to 6,840.66 MT and as conventional with amount 32.16 MT so that CSPK stock is 6.09 MT

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example, Transaction ID: TR-bae6625b-1fdc for CSPO with volume 250 MT and the shipping date is 13 January 2022 while confirmation date on 24 January 2022.

### 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.

<b>Status: Comply</b>
-----------------------

## 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

The company has a human rights policy as stated in the Human Rights of PT Inecda. The policy covers the protection of people's rights, respect for human rights, respect for human rights, overcoming the impact of human rights and recovery. Based on the document review and consultation with the Trade Union Management, it was found that there were no complaints related to human rights violations.

The company has also conducted socialization to employees, FFB suppliers and contractors, for example, as stated in the minutes of socialization to FFB suppliers on June 1, 2022 with 6 participants and the minutes of socialization to mill employees on June 29, 2022 with 20 participants.

Based on interviews with employees, FFB suppliers and contractors, it can be concluded that they understand human rights policies.

#### 4.1.2

Based on the results of interviews with management, interviews with stakeholders such as village representatives, representatives of workers and related agencies, it was found that the certification unit did not initiate acts of violence or any form of intimidation in its operations.

The company also does not use security forces for extra-judicial acts of interference (nuisance) and intimidation.

<b>Status: Comply</b>
-----------------------

### 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 company shows the External Party Complaints Procedure, document number 005-SOP-LGL, Revision number 00, effective date 1 September 2020 and ratified by management. The last revision was carried out on June 30, 2021. The procedure has outlined several systems related to resolving disputes, complaints and complaints effectively, timely and properly, which are briefly explained as follows:

- The complainant can ask the company to keep his/her identity confidential
- The company will maintain anonymity/identifying information
- Provide protection to complainants, human rights defenders, community representatives and also to whistleblowers/reporters.
- The company will try to prevent any retaliation or intimidation that will be carried out by the company in any form.

In addition, the company also has a Grievance Handling Procedure, document number 007-SOP-HRD, revision number 02, effective date of March 20, 2018 which was ratified by the management. These procedures, among others, also explain the protection of the

identity and security of the reporter. If the settlement at level 3 has not been reached, then the parties can take it to the RSPO Complaints System.

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. The results of interviews with contractors and head of village around indicated that the village and contractors had understood the grievance mechanism.

#### 4.2.2

The company has an External Party Complaints Procedure, document number 005-SOP-LGL Revision 01 (30 June 2021), effective date of 1 September 2020, which explains:

- The Public Relations Section or the Team appointed by the unit leader, must ensure that the socialization of the procedures carried out has been agreed upon and can be understood by stakeholders / affected parties including those who cannot read and write
- Submission/socialization to parties who cannot read and write is carried out using the method of utilizing visual abilities and hearing abilities

#### 4.2.3

The company already has an External Complaints Procedure and External Conflict Handling Procedure (document number 005-SOP-LGL Revision 01 (30 June 2021), effective date 1 September 2020). Based on these documents, it is explained that the certification unit will also inform the parties about the progress of handling complaints, including the agreed time frame, and the results are available and communicated to relevant stakeholders through Public Relations, namely by informing about the progress or progress of the complaints submitted by affected parties.

The company already has documentation of complaints both internally and externally, for example:

- News in online media related to complaints of fiber scattered on the roadside from residents of Bukit Selasih Hamlet, Pematang Jaya Village. The fiber spill has been cleaned up by the company on April 19, 2021. This has been clarified by a representative of Pematang Jaya Village.
- News in online media related to the demands of the Talang Mamak Talang Sungai Limau indigenous community (the indigenous people of Talang Sungai Limau Village and Talang Sukamaju Village) regarding the demands for the customary forest of the Talang Mamak Tribe. The claim/problem has been decided by the State Administrative Court based on decision no. 224/g/2021/PTUN.JKT dated December 8, 2021. The decision stated that:
  - The Administrative Court has no relative authority to examine, decide and resolve the dispute.
  - Stated that the plaintiffs' lawsuit (Talang Mamak) was not accepted.
- Claims from the indigenous people of Talang Mamak Talang Sungai Parit Village. The complaint is still in the process of being resolved. On March 16, 2022, field verification was carried out by the Special Committee for Land Conflicts of the Riau DPRD at PT Inecda and on July 4, 2022, a plenary meeting of the DPRD of Riau Province was held, one of the agendas of which was to submit reports on the work of the Special Committee for Community Land Conflicts. When the S-3 audit was carried out, the company was still waiting for the report on the work of the special committee.

Based on the results of document review and interviews with representatives of Talang Sei Parit, Talang Sukamaju, and Talang Sei Limau villages as well as community leaders from these villages, it is known that until now the plasma agreements that have been agreed have not been realized. The company has actually started a plasma plantation development program covering an area of ± 1,300 Ha but the development of plasma/partnerships arose due to the extension of the HGU (which is different from the previous plasma agreement). The listed CPCLs are also not from the three villages.

Based on the explanations of the parties including management representatives, it is known that the realization of plasma for the villages of Talang Sei Parit, Talang Sei Limau, and Talang Suka Maju has not been implemented due to the unavailability of land in the form of stretches as stated in the agreement. Thus, the company has the opportunity to maintain active communication with interested parties and arrange a measurable timeline to deal with these problems (OFI).

#### 4.2.4

The company shows the External Party Complaints Procedure, document number 005-SOP-LGL, Revision number 00, effective date

1 September 2020 and ratified by management. The procedure has outlined several systems related to the resolution of disputes, complaints and grievance in an effective, timely and appropriate manner. Including conflict resolution mechanisms to obtain legal and technical assistance from independent parties, where the reporting party has the freedom to choose people or groups who can support it and/or act as observers. The parties may choose the option of involving a third-party mediator.

The company is to ensure the process of completing the payment of allowances which has been mediated by the Manpower Office of Indragiri Hulu Regency (OFI).

Based on information from previous assessments, it is known that there are opportunities for improvement regarding the adjustment of workers' rice allowances. As for these problems, mediation was carried out with the Manpower Office on November 30, 2020 and there were several recommendations from the Manpower Office. From the results of interviews with labor union, it is known that up to the surveillance-3 audit, there were indeed follow-up meetings or responses to this matter. From the results of the interview, information was also obtained that it is planned to hold a meeting between workers and management in the third or fourth week of July 2022. And if at the meeting there is no agreement, then the matter will be continued in the industrial relations court.

	<b>Status: Comply</b>	
--	-----------------------	--

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

**4.3.1**  
The company has procedures related to the fulfillment of social responsibility in the SOP document for the Governance of the Community Empowerment Program No. document 001-SOP-XSR effective January 2, 2014. CSR programs for 2022 include local community empowerment, facilitation of training, donations and social development, Health, social and cultural, religious, environmental, Fire Care Farmers Groups, and development of customary people.

The realization of the program includes the following:

- Food assistance for the Talang Mamak Indigenous People in June 2022
- Assistance for school renovation in Talang Sei Parit Village June 2022
- Cash Assistance for Some of the people of Talang Sei Limau Village and Talang Sei Parit Village for the period January – June 2022
- Honors for reciting teachers in Talang Sukamaju Village, Talang Sei Limau Village, and Talang Sei Parit Village for the period January – June 2022
- Fund assistance for training and fostering freshwater fish farming in Sungai Parit Plantation Village and Pasir Bongkal Village in June 2022
- Financial assistance for the Petalongan Village canoe race in June 2022

Based on the interviews with representatives of the Sei Parit, Talang Sei Parit, Suka Maju, and Talang Sei Limau Plantation Villages, it is known that one form of involvement in the preparation of CSR is the company's presence in MUSREMBANGDES activities.

	<b>Status: Comply</b>	
--	-----------------------	--

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

**4.4.1**  
The Company already has land rights of 8,600.92 Ha with details as follows:

- HGU certificate number 19 issued on October 26, 2000 and valid until June 29, 2034. On April 15, 2021, the rights to part of the HGU were decrease so that the area of the HGU becomes 2,857.5726 Ha
- HGU Certificate No. 89 issued on June 16, 2021 and valid until December 31, 2045 with an area of 354 Ha
- HGU Certificate No. 90 issued on June 16, 2021 and valid until December 31, 2045 with an area of 777,1269 Ha
- HGU Certificate No. 91 issued on June 16, 2021 and valid until December 31, 2045 with an area of 17,2801 Ha
- HGU Certificate No. 92 issued on June 16, 2021 and valid until December 31, 2045 with an area of 381.2709 Ha
- HGU Certificate No. 93 issued on June 16, 2021 and valid until December 31, 2045 with an area of 3,355.45 Ha
- HGU Certificate No. 94 issued on June 16, 2021 and valid until December 31, 2045 with an area of 395,1699 Ha

- HGU Certificate No. 95 issued on June 16, 2021 and valid until December 31, 2045 with an area of 463.0859 Ha

In addition, there is also a plantation business permit in accordance with Decree of the Regent of Indragiri Hulu, number: Kpts 400/VII/2015, dated 27 July 2015 concerning Plantation Business Permit on behalf of PT INECDA with a type of oil palm cultivation business with an area of 9,466.047 ha and industrial palm oil mill plantation capacity of 45 tons FFB/ hour.

#### 4.4.2; 4.4.4; 4.4.5; 4.4.6

As explained in the minutes of committee B No. 61 RSL/HGU/1999 and the minutes of committee B No. 26/RSL/HGU/1988 it is known that the land being applied for is derived from free state land and was previously the *HPH* (Forest Management Rights) of PT Harapan Baru and the PTPNV management area of Gunung Pamela and returned to the state. At the time of the inspection, it was found that the condition of the population was  $\pm$  183.52 Ha and the area had been enclaved. Thus, there should be no land compensation process. However, over time there were claims from the people of Talang Sungai Limau and Talang Sukamaju Villages in 2007 until the decision of the Rengat District Court No. 08/Pdt.G/2007/PN.RGT dated June 25, 2008. In the decision, among other things, there is an explanation in the main case stating that the claim of the complainant to the convention/defendants to the convention is unacceptable (*Niet Ontvankelijke Verklaard*).

In addition, there was also a settlement on the claims of residents of Perkebunan Sungai Parit Village in 2015 over an area of 42 hectares located in Blocks G9, G10, G11 and G12 which ended with the signing of the land dispute settlement agreement on June 22, 2015 where the agreement was signed by the parties involved. claimed (5 people) and the management of PT Inecda and was known by the Chairman of the DPRD Indragiri Hulu, Sungai Laba sub-district head and the head of the Sungai Parit Plantation Village.

However, when ASA-3 was implemented, there was a claim from Batin Irsan as one of the traditional leaders of Talang Sei Parit Village stating that the company was operating illegally because it did not implement the principle of FPIC when controlling the community's customary rights. A detailed explanation of this can be seen in the auditor verification in the 4.8.1 – 4.8.4.

#### 4.4.3

The company can show a map showing legal rights in the form of a HGU boundary map with a scale of 1: 50,000 contained in the HGU certificate issued by the Land Office. Based on public consultation with village representatives from Perkebunan Sei Parit, Talang Sei Parit, Talang Sei Limau, and Sukamaju Village it is recognized that they know the legal boundaries owned by PT Inecda.

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

Until now, the company has not expanded the company's area. As explained in 4.4.1 when referring to legal documents, land acquisition is derived from free state land and previously was the *HPH* of PT Harapan Baru and the PTPNV Gunung Pamela Management area which was returned to the state. There is no mention of the existence of customary rights over the cultivated land. However, during assessment of ASA-3, it was discovered that there was a claim from Batin Irsan as one of the traditional leaders of Talang Sei Parit Village which stated that the company was operating illegally because it did not implement the principle of FPIC when controlling the community's customary rights. A detailed explanation of this can be seen in auditor verification at 4.8.1 – 4.8.4.

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 company has procedure of Land Acquisition and Compensation, document No. 001-SOP-LGL dated 2 January 2014 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Suka Maju Village, Talang Sei Limau Village, and Talang Sei Parit Village know about the procedure through the socialization given. The compensation process was done directed to the land owner and landowners are given the

freedom to release their land without coercion.

#### 4.6.3

Based on the interviews with representatives of Suka Maju Village, Talang Sei Limau Village, and Talang Sei Parit Village, it is known that both women and men have equal rights in land acquisition. There has never been any discrimination against it. One of the pieces of evidence that can be seen is land ownership that is not based on gender

#### 4.6.4

As explained in the minutes of committee B No. 61 RSL/HGU/1999 and the minutes of committee B No. 26/RSL/HGU/1988 it is known that the land being applied for is derived from free state land and was previously the *HPH* (Forest Management Rights) of PT Harapan Baru and the PTPNV management area of Gunung Pamela and returned to the state. At the time of the inspection, it was found that the condition of the population was  $\pm 183.52$  Ha and the area had been enclaved. Thus, there should be no land compensation process. However, over time there were claims from the people of Talang Sungai Limau and Talang Sukamaju Villages in 2007 until the decision of the Rengat District Court No. 08/Pdt.G/2007/PN.RGT dated June 25, 2008. In the decision, among other things, there is an explanation in the main case stating that the claim of the plaintiffs to the convention/defendants to the convention is unacceptable (*Niet Ontvankelijke Verklaard*).

In addition, there was also a settlement on the claims of residents of Perkebunan Sungai Parit Village in 2015 over an area of 42 hectares located in Blocks G9, G10, G11 and G12 which ended with the signing of the land dispute settlement agreement on June 22, 2015 where the agreement was signed by the parties involved. claimed (5 people) and the management of PT Inecda and was known by the Chairman of the DPRD Indragiri Hulu, Sungai Laba sub-district head and the head of the Sungai Parit Plantation Village.

However, when ASA-3 there was a claim from Batin Irsan as one of the traditional leaders of Talang Sei Parit Village stating that the company was operating illegally because it did not implement the principle of FPIC when controlling the community's customary rights. Detailed explanation can be seen in 4.8.1 – 4.8.4.

<b>Status: Comply</b>
-----------------------

#### 4.7

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

##### 4.7.1; 4.7.2; 4.7.3

As explained in the minutes of committee B No. 61 RSL/HGU/1999 and the minutes of committee B No. 26/RSL/HGU/1988 it is known that the land being applied for is derived from free state land and was previously the *HPH* (Forest Management Rights) of PT Harapan Baru and the PTPNV management area of Gunung Pamela and returned to the state. At the time of the inspection, it was found that the condition of the population was  $\pm 183.52$  Ha and the area had been enclaved. Thus, there should be no land compensation process. However, over time there were claims from the people of Talang Sungai Limau and Talang Sukamaju Villages in 2007 until the decision of the Rengat District Court No. 08/Pdt.G/2007/PN.RGT dated June 25, 2008. In the decision, among other things, there is an explanation in the main case stating that the claim of the plaintiffs to the convention/defendants to the convention is unacceptable (*Niet Ontvankelijke Verklaard*).

However, the company has procedure of Land Acquisition and Compensation, document No. 001-SOP-LGL dated 2 January 2014 related to identifying legal, customary or user rights, and for identifying people entitled to compensation. Based on public consultation with village representatives from Suka Maju Village, Talang Sei Limau Village, and Talang Sei Parit Village know about the procedure through the socialization given. The compensation process was done directed to the land owner and landowners are given the freedom to release their land without coercion.

<b>Status: Comply</b>
-----------------------

#### 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

As explained in the minutes of committee B No. 61 RSL/HGU/1999 and the minutes of committee B No. 26/RSL/HGU/1988 it is known that the land being applied for is derived from free state land and was previously the *HPH* (Forest Management Rights) of PT Harapan



Baru and the PTPNV management area of Gunung Pamela and returned to the state. At the time of the inspection, it was found that the condition of the population was  $\pm 183.52$  Ha and the area had been enclaved. Thus, there should be no land compensation process. However, over time there were claims from the people of Talang Sungai Limau and Talang Sukamaju Villages in 2007 until the decision of the Rengat District Court No. 08/Pdt.G/2007/PN.RGT dated June 25, 2008. In the decision, among other things, there is an explanation in the main case stating that the claim of the plaintiffs to the convention/defendants to the convention is unacceptable (*Niet Ontvankelijke Verklaard*).

In addition, there was also a settlement on the claims of residents of Perkebunan Sungai Parit Village in 2015 over an area of 42 hectares located in Blocks G9, G10, G11 and G12 which ended with the signing of the land dispute settlement agreement on June 22, 2015 where the agreement was signed by the parties involved. claimed (5 people) and the management of PT Inecda and was known by the Chairman of the DPRD Indragiri Hulu, Sungai Laba sub-district head and the head of the Perkebunan Sungai Parit Village.

However, when ASA-3 was implemented, there was a claim from Batin Irsan as one of the traditional leaders of Talang Sei Parit Village stating that the company was operating illegally because it did not implement the principle of FPIC when controlling the community customary rights.

Regarding the complaint stating that the company operates in the area belonging to the Luak Talang Parit Community without obtaining prior approval from the community, this can be said to be inaccurate because PT Inecda as referred to in the complaint has been operating since the 1980s and obtained its first HGU in 1992 and thereafter an additional HGU was issued in 2000. In the chronology of the complaint, it is stated that the demands by the community were first filed in August 1996. In the period from 1996 to 2022, there have been several agreements between the company and the village communities around the company (not only Talang Sei Parit Village), such as the demand for plasma development since 1996 where there are indications that this is the result of a mutual agreement between the community and PT Inecda (previous management). As well as several FPIC processes that have been carried out, such as the most recent one in the extension stage of HGU No. 01 in 2020, which has now completed the extension process. In the HGU preparation activities, all villages that are within the scope of the company's HGU are also invited to become members of Committee B, and of course all aspirations and/or refusals can be submitted.

In addition, based on legal documents owned by the company such as Minutes of Committee B No. 26 and No. 61 and SK HGU No. 01 of 1991, SK HGU No. 19 of 1999 obtained the following information:

#### **History and State of the Land:**

- The land comes from the state land of the former HPH (Forest Management Concession) PT Harapan Baru; Part of it is land that will be managed for transmigration land; The land was also requested to be managed by PTPN V Gunung Pamela which in its development was returned to the state.
- The land has been controlled by the state since 1960.
- Land is a conversion production forest area and has been released from the Minister.
- At the time of the measurement, there was a population of  $\pm 183.52$  Ha and it had been used as an enclave.
- The requested land does not have any problems or disputes with cultivators or other parties in accordance with the Letter of the Head of Petalongan Village, Letter of the Village Head of Pasir Bongkal, and the Letter of the Head of Talang Sei Parit Village in 1998 and it is known by Sub-District of Pasir Penyu and Sub-District of Pasir Kelayang

The interests of others and the public interest:

- There are no objections to the application and except for the applicant, no party has the right to the land being requested.
- According to the beliefs of the surrounding population, the land is not considered sacred

The community also filed an objection to the extension of the HGU issued in 2021 because PT Inecda is suspected of violating respect for community rights and human rights by seizing the customary land rights of Luak Talang Parit and has not facilitated the construction of community plantation. However, in the Decree on the Extension of HGU No. 29 of 2021 (an extension of SK HGU No. 01) it is stated that the objections are explained several points as follows:

- The land for which the extension of the term of the Cultivation Right Number 01 was requested was originally state land originating from a part of the forest area.
- Based on article 30 of the ATR Ministerial Regulation Number 7 of 2017 concerning the arrangements and procedures for determining the Cultivation Right, it is stated that in the case that the Cultivation Right has been issued in accordance with the provisions of the law and is actually controlled by the right holder, then another party who feels he has the right if within a certain

time 10 (ten) years since the issuance of the certificate, do not file a written objection to the certificate holder and the Head of the Land Office concerned or do not file a lawsuit to the Court regarding the control of the land or the issuance of the certificate.

Regarding the objection to the extension of the HGU, there is no legal information regarding the lawsuit by Batin Irasan et al.

**Status: Comply**

## **PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

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

**5.1.1**  
Based on document review, field observations and interviews with staff and management, it is known that the company obtains FFB supplies from third parties/FFB suppliers such as plasma, and FFB middleman suppliers. For cooperation with Plasma, the applicable FFB price refers to the decision of the Plantation Service every week and is routinely informed every week via email and communication media to plasma/cooperative management. The company shows an example of a payment for the period of June 2022 which is paid directly to the cooperative's account according to the current price. The company can also show the Minutes of Meeting Results of the FFB Purchasing Pricing Team for that period.

For cooperation with the middleman, the FFB price is determined in a work agreement agreed by both parties, several considerations in determining the FFB price such as the price of CPO, PK, transportation costs, and proposed prices from suppliers. Prior to making a payment, the verification of the correctness of the payment calculation has been checked by both parties in the FFB sale and purchase calculation document, so that all complaints and confirmations related to payments have been completed before the payment is made. The pricing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. Interviews with the management unit and FFB suppliers also stated that the FFB price that had been determined could be accessed by the supplier, and was informed every 3 days via email, online communication media and telephone from the PIC to the supplier.

**5.1.2**  
As explained in indicator 5.1.1, the plasma FFB price refers to the price determined by the Plantation Service, while the FFB price for middlemen uses the calculated price for CPO and PK which is updated daily. The company also has a mechanism for conveying prices which is done using email and communication media. Based on the results of interviews with plasma cooperatives, it was stated that the price set by the company was in accordance with the price set by the local Plantation Service, where if there was an update on the price, the company immediately conveyed it through communication media and posted it on the bulletin board at the Cooperative's office.

The company can also show proof of plasma management transparency by showing details of production and costs for the period of June 2022 where in the document there is a table that explains FFB production data and details of management costs from discounted fees, maintenance costs, fertilization costs and others. This is conveyed to the plasma managing cooperative and has received approval from the cooperative management with proof of the stamp before payment is made. The results of the interview with the plasma administrator of the Pematang Jaya Sejahtera Cooperative also stated that the price distribution was quite clear and there were no complaints regarding payment, the value paid was divided into 2 types, including:

- Plasma in the form of KKPA, namely Plasma whose development and management are fully carried out by the company. Currently, KKPA is still in the Immature Crops stage, so there are no FFB sales activities. However, the sale and purchase scheme has been established, namely there is a 30% discount for debt repayment, 15% for replanting cost savings that will be allocated after the debt is paid off, 15% for maintenance costs and 5% for management fees.
- Plasma in the form of Associate, namely Plasma consisting of community-owned plantations that have entered the Mature Crop stage, and are managed independently by the community, but cooperate with cooperatives in the FFB buying and selling system to obtain high prices. In this scheme, the applicable discount is 5% for management fees and 15% for replanting savings.

When the ASA-3 audit was conducted, the company had collaborated with 3 cooperatives in managing plasma, and of the 3 cooperatives, all KKPAs were still in the Immature Plants stage, so that all forms of buying and selling that occurred between the cooperative and PT Inecda were sourced from Associate plantations.

**5.1.3**

The company has determined the fair price that has been agreed with the plasma management cooperative as outlined in the Cooperation Agreement, in the document there is a statement that the price set for the determination of the selling price of FFB is the price set by the Plantation Service, so the parties hereby declare that they will comply with the price fixing so that one party and the other party are not entitled to ask for a price increase or decrease. Meanwhile, the determination of prices with outside FFB suppliers refers to the calculation results of fluctuations in CPO and PK prices. There are also specifications and implementation requirements as well as sanctions that must be met by all parties, for example those contained in the Cooperation Agreement with the FFB supplier on behalf of Nuryani, under the name DO (NY), are as follows:

- The first party has the right to refuse FFB if the quality does not meet the criteria for ripe fruit set.
- If there is a difference in weighing between the seller and the buyer's books, the settlement will be carried out on the day of delivery/delivery to avoid discrepancies in the weighing results when payment is made.
- FFB sold does not come from partnership plasma plantations built by companies/groups of companies, and is not stolen and/or from criminal activities.

Based on document review and interviews with FFB suppliers and Plasma Cooperatives, it can be concluded that the company has determined a fair price which explains all components including the determination of the premium value, savings, maintenance fee discounts and others, all of which have been agreed upon by all related parties and documented in the form of a letter. cooperation agreement and proof of payment.

Based on an interview with the middleman on behalf of Nuryani, it is known that the price of FFB is determined by the company by considering the average weight of FFB and prices from surrounding companies. The determination of the price has also been explained in the cooperation contract. In addition, based on field visits to the Inecda POM area, it was found that FFB prices were available in the information media in the Mill area.

**5.1.4**

The company can show evidence that representatives of FFB suppliers and cooperatives as plasma administrators are involved in drafting the contract. The document contains agreements such as maintenance financing, loans/credits, repayments through FFB deductions for the replanting program and/or other support mechanisms that have been signed by all representatives of the cooperative, witnesses and the company. This shows that all relevant parties have been involved in the decision-making process and understand the contents of the contract. One example of an MoU with plasma is the Pematang Jaya Sejahtera Cooperative, Number 04/PJS-PKS/XI/2020 which was made on November 6, 2020.

The development of plasma plantations is also carried out to improve the welfare of the communities around the plantations where currently management related to plantations is still carried out entirely by company management by assigning Managers and Assistants to help manage plasma within the scope of the KKPA and carried out independently by land owners but with monitoring and assistance from companies for those within the scope of "Plasma Swadaya". Cooperatives play a role in managing the finances obtained from the sale of FFB and distributing them to all members. Cooperative members consist of the community around the company who want to be involved, not limited to men or women. Regarding the involvement of women in decision-making, it can also be proven from the results of interviews with the head of the cooperative which stated that plasma land was given to all communities living in the designated village, not limited to men or women. The informant stated that the contract was made with the agreement of both parties without any coercion, intimidation and discrimination.

**5.1.5**

As explained in indicators 5.1.1 - 5.1.4 related to Cooperation Agreements with Cooperatives and independent smallholders, the results of the verification of the Cooperation Agreement Letter document indicate that all existing contracts have been made fairly, in accordance with applicable laws, are transparent and have a predetermined time period. agreed together. The results of the interview with the Cooperative Management stated that all members have understood the stipulated provisions such as the determination of FFB prices, management fees, management fees, loans, disputes, and others. The agreement has also been made in accordance with applicable laws in a fair, transparent, and has a clear time frame.

In addition, the company can also show a Statement of Cooperation for the purchase of FFB from the middleman supplier FFB, for example, a statement letter on behalf of CV Nuryani (with the name DO: NY) on January 4, 2021 with a validity period of 2 years. In the agreement, the obligations and rights discussed in the agreement include ensuring that the FFB sent does not come from theft,



FFB produced from nucleus plantations and plantations of other companies fostered by other companies, FFB does not come from plantations located in the Tesso Nilo Protected Forest area or from conservation forests. other matters, quality of goods, procedures for delivery of goods, sorting and sanctions, supervision and acceptance of goods, prices, payments, OHS conditions, legal status, force major and others. In the statement made, it is stated that several FFB requirements include FFB source location, FFB criteria, FFB repatriated, fines, 3% tax deduction and FFB delivery to the mill. Based on this explanation, it is known that the management unit has a contract that is made fairly, in accordance with applicable law, and is transparent, and has an agreed term.

#### **5.1.6**

The Cooperation Agreement Letter explains the procedure/system for paying the net proceeds from FFB sales, both for independent FFB suppliers, collectors and plasma. Payment is made based on the Minutes of the FFB sale and purchase which has been agreed and signed by all parties. Based on the results of the study of the proof of FFB payment documents to the Pematang Jaya Sejahtera Cooperative as well as the minutes of the presentation of the results and an explanation of the operational costs for the period of June 2022, it shows that the payment has been made on time and can be proven through a receipt for payment. The plasma fruit payment is valid for the period 1-31 June 2022. The payment has been completed with income from each farmer group, fruit tonnage, and price according to the period. Based on the results of the verification of the Plasma FFB price and proof of calculations from the payment recapitulation data, it is known that the payment has been in accordance with the price set by the Plantation Service. The proof of payment document also explains the details of production and weekly period costs, FFB production data and details of management costs, maintenance costs and fertilization costs. The document is also submitted to the cooperative through a meeting attended by representatives of the cooperative and has been approved with proof of stamp.

As for examples for fruit payments for outside FFB suppliers, for example, proof of FFB payment to CV Nuryani dated 8 July 2022 for the FFB delivery period on 1-5 July 2022. The invoice is explained in the form of the amount of FFB received, the price applicable on the delivery date, and total payment after tax of 3%. Each payment data has been equipped with weighing data, grading reduction data and proof of transfer. Based on this explanation, it is known that the management unit has made fruit payments to plasma and the middleman supplier FFB in accordance with the contract it has, either the payment period or the specified price.

#### **5.1.7**

The company has tested the electronic weigh bridge for PT Inecda by the Head of Metrology Legal Department of Trade and Industry Pekanbaru, with evidence among others:

- Test Result Certificate for Inecda POM which was carried out on September 10, 2021 and valid until September 10, 2022, with serial number P58173A1611 and maximum capacity 60,000 Kg.
- Test Result Certificate for Inecda POM which was carried out on April 11, 2022 and valid until April 11, 2023, with serial number G000238 and maximum capacity 60,000 Kg.

The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely performed the calibration of weighing equipment by third parties.

#### **5.1.8**

The company has conducted socialization related to RSPO certification to independent smallholders and plasma farmers through regular meetings. The company shows the Minutes of the annual meeting on March 10, 2022 which was submitted to FFB suppliers attended by 7 participants about the benefits of RSPO, and the recommendation to register for the RSPO. In this socialization activity, the certification unit also introduces the RSPO principles that must be applied by suppliers. Based on the results of the socialization carried out to FFB suppliers, it was concluded that the certification activities had not been realized. This is due to difficulties in establishing cooperatives and farmer groups to coordinate certification activities. The results of interviews with the company stated that they are currently assisting in the socialization phase to all suppliers who cooperate with the company.

#### **5.1.9**

The company also has procedures related to communication, consultation and coordination contained in the SOP for Complaints from External Parties number 005-SOP-LGL which is valid on September 1, 2020. The procedure explains technically the guidelines for receiving various complaints submitted by stakeholders or other parties. and how to solve it. Companies through their respective departments have recorded requests for information and responses. The deadline for responses to requests for information or conflicts is 1 week after the letter is received (from the Unit Head to the relevant Department). Responses are made no later than 3 weeks after the letter is received. In addition, there is a clause that guarantees the confidentiality of the whistleblower and the reporting

witness. Based on the results of the document review, it is known that for the 2021 period there were no complaints from FFB suppliers. The company has also appointed officers who act as communicators between the company and the community so that people who cannot read/write can be informed by the relevant communicators.

In addition, to accommodate and resolve complaints, the company has a Grievance Handling procedure number 007-SOP-HRD which is valid on March 20, 2018. An indirect mechanism is also carried out by providing a suggestion box as a means of submitting complaints that can be submitted anonymously. The complaint flow can be done by writing down the problem in the complaint book available at the main office, then at least 2 weeks the unit leader must seek a resolution first. If it cannot be resolved, it will be forwarded in writing to the head of the representative. Each stage of completion is documented and kept by the head of the representative. Based on the results of interviews with Cooperatives and FFB suppliers regarding the complaint handling mechanism, they stated that complaints can be submitted through letters or direct submissions through communication media and/or in regular meetings. The informant also stated that for the period 2021-2022 there were no complaints, the entire cooperation process that had been going on so far was going well.

<b>Status: Comply</b>
-----------------------

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

### **5.2.1**

The certification unit has conducted consultations with FFB supplying smallholders as indicated by evidence of socialization related to RSPO certification to independent smallholders and plasma smallholders through annual meetings between the company and FFB suppliers. The company shows the Minutes of the annual meeting on March 10, 2022 which was submitted to FFB suppliers attended by 7 participants about the benefits of RSPO, and the recommendation to register for the RSPO. In addition, there is also evidence of consultation activities with representatives of plasma smallholder regarding technical aspects of field work through socialization activities for BMP, handling pesticides and sprays on March 13, 2022 to 30 participants and March 29, 2022 to 18 participants. From the results of the meeting, it was stated that independent smallholders would follow the company's initiation to include their land in RSPO certification and would follow all existing requirements and regulations.

In this socialization activity, the certification unit also promoted the RSPO. Based on the results of the socialization carried out to FFB suppliers, it was concluded that the certification activities had not been realized. This is due to difficulties in establishing cooperatives and smallholder groups to coordinate certification activities. The results of interviews with the company stated that they are currently in the stage of socialization to all independent farmers. The results of the interview with the Plasma Cooperative stated that they were very interested in joining the RSPO certification because of the many benefits, but they still did not know about the certification system and its fulfillment because the socialization provided was not sufficiently deep and comprehensive. The company stated that all plasmas that cooperate with the unit will be included in the Time Bound Plan to participate in future certification.

### **5.2.2**

The company has made improvements to the welfare of the communities around the plantations by building and managing plasma plantations in the form of KKPA and Associate as well as routinely conducting socialization related to RSPO certification. Currently, the management of Plasma in the form of self-help is managed entirely by the cooperative management, while the company only provides assistance to ensure that the management of oil palm cultivation is in accordance with RSPO standards. In addition, companies can also show socialization documents on best practices in oil palm cultivation, work safety, environment, fire, benefits of RSPO, and recommendations for registering RSPO which were submitted to cooperative members on January 28, 2022. In addition, evidence of consultation activities with representatives of plasma smallholder related to technical aspects of field work through socialization of BMP, handling of pesticides and sprays on March 13, 2022 to 30 participants and March 29, 2022 to 18 participants.

However, based on the explanation in indicator 5.2.1 which states that there are no independent smallholders who can participate in RSPO certification due to several obstacles, so far, the company has only implemented programs to improve livelihoods for smallholders, limited to providing socialization. The results of the interview with the middleman supplier of FFB on behalf of CV Nuryani stated that the farmers who supply FFB to them already know about RSPO from the results of the socialization by the company, but the obstacles experienced are difficulties in establishing cooperatives and farmer groups to coordinate certification activities.

### **5.2.3**

Based on the explanation in indicator 5.2.1 which states that there are no independent smallholders who can participate in RSPO certification due to several obstacles, so far, the company has only implemented programs to improve the standard of living for farmers, limited to providing socialization. Regarding support to smallholder to encourage the legality of FFB production, only for Plasma smallholder, all smallholder already have legal documents where all document control is carried out in full by PT Inecda. As for independent smallholders, support is only done indirectly in the form of data collection on the legality status of land owned by all FFB suppliers in compliance with indicator 2.3.2 where companies are required to obtain FFB from legal sources.

#### 5.2.4

When the audit was conducted, the collaboration between the certification unit and plasma was carried out with 2 management systems, namely for KKPA carried out in full management where the management of plasma plantations was fully carried out by the Company and the Associate partnership pattern was fully carried out by land owners with assistance and supervision from the company. Because the management is carried out by the Company, all employees who work in plasma plantations are workers who have been trained by the company in handling pesticides, treatments, fertilization and others. The company also continues to provide assistance in plantation management in accordance with RSPO standards. The training activities can be proven based on the minutes of pesticide training to the Agrochemical Application Officer and Cooperative management on January 28, 2022 which was attended by 26 participants.

#### 5.2.5

The unit of certification can show evidence that it has publicly reported the support program for smallholders, especially plasma farmers regarding its development which is carried out regularly. The evidence shown is based on the receipt of the 2021 LKUP Semester 2 submission document to the Agriculture Service of Indragiri Hulu Regency on March 4, 2022 as well as the 2021 CSR Report which is publicly accessible.

<b>Status: Comply</b>
-----------------------

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

#### 6.1

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

##### 6.1.1; 6.1.2

The company has a No Deforestation, No Peat, No Exploitation (NDPE) Policy document signed by the Chief Operational Officer, Chief Financial Officer, and Chief Executive Officer on 2 May 2019. At point 3.3 explain There is no exploitation, discrimination and sexual harassment against workers, women and children, indigenous peoples and other communities.

The company shows documentation of socialization of NDPE policies in the form of Minutes of socialization of NDPE, human rights, code of ethics, protection from sexual harassment and the prohibition of employing children under the age. For example, socialization document on 25 February 2022 to 8 participants and to contractors attended by 7 participants.

Based on the verification of the labor register documents and interviews labor union, known that the workers come from various regions such as Java, Aceh, Sulawesi and others. From the results of interviews with representatives of workers and workers, known that there is no indication of discrimination against workers. In addition, the results of interviews with village representatives, obtained information that there is no indication of discrimination. The company has provided equal opportunities for the surrounding community to get jobs.

##### 6.1.3

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

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

##### Recruitment

- Recruitment documentation with the initials AP and RS such as job application letters, results of health checks, ID cards, diplomas, Family card and others.

**Appointment as permanent worker**

- Recommendation Letter No. 369/INC/HRD/VI/2022 dated June 14, 2022 regarding Recommendations for employees with a probationary period who are proposed to be permanent worker. The company also attaches the results of the employee assessment and has been declared Passed.
- Letter of appointment of permanent worker No. 005/HRD/INC-PKS/V/2022 dated May 18, 2022 with initial YA

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

**6.1.4**

Based on interview with women workers in estate and mill as well as gender committees/woman of working group revealed that pregnancy tests were only conducted for pesticide applicators to avoid the employees being exposed to pesticides. Further explained that so far there had never been a pregnancy test which was a discriminatory measure.

**6.1.5**

The company already has a gender committee to deal with women's issues. The gender committee structure was set on September 29, 2021, consisting of male and female administrators. The structure of the gender committee consists of an advisor, coach, chairperson, vice chairman, secretary, treasurer, empowerment, service/consultation etc.

The work program of the gender committee consists of:

- Conducting outreach/socialization related to the gender committee and regulations governing gender equality
- Open a consultation and complaint room for employees, especially victims of harassment
- Following up on harassment cases
- And others.

The results of interviews with female workers such as spraying worker, and daycare officers, known that the workers already know the gender committee and the functions of the organization. Workers are also aware of gender committee if there are complaints or complaints related to women's problems or issues. The results of interviews with representatives of women's committee and women workers, it was found that there were no complaints related to women's issues in the last 1 year.

**6.1.6**

The determination of wages at PT Inecda is based on the minimum wage in Indragiri Hulu District based on the Decree of the Governor of Riau No. Kpts.1272/XI/2021 on November 30, 2021. The Minimum Wage for Indragiri Hulu District in 2022 is Rp. 3,097,706.

The results of interviews and the verification of workers' wages (e.g., maintenance workers), it is known that the company has given the same wages for the same scope of work and in the same grade.

<b>Status: Comply</b>
-----------------------

**6.2**  
**Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**
**6.2.1; 6.2.2; and 6.2.3**

The company has a Collective Labor Agreement for 2022-2024 based on the Decree of the Head of the Riau Province Manpower and Transmigration Office No. Kpts.1286/V/2022 dated May 3, 2022. In the CLA it is explained about work relations, promotions, demotion, working days and working hours, overtime work, rest and leave leaving work obligations, wages, BPJS employment, BPJS health, training, complaint resolution and others.

The company shows list of the number of workers for the May 2022 as follows: Estate: 1,263 workers and Mill: 92 workers. The number of contractor workers such as PT Prima Nusantara is 55 workers.

From the results of interviews with workers and labor union, known that the company has provided a copy of the agreement to the workers. From the interview also known that the company has given socialization related to collective labor agreement to workers. The auditor team has simulated the calculation of the salaries of workers for example with initial NS and YL. Based on the simulations that have been carried out, it was known that the company has given wages in accordance with applicable regulation. Based on the simulation also known that payroll documents give accurate information on compensation for all work performed. Based

The company has shown evidence of compliance with labor provisions, through:

- Payroll documentation that gives information on compensation for work performance. The results of the simulation of wages and overtime in June 2022, known that the company has paid overtime wages according to the workers' overtime hours and has complied with the applicable regulations. The simulation samples for overtime calculations for example:
  - For worker with initial AG, has get overtime wages of Rp. 448,745
- Employee leave forms, such as:
  - Letter of maternity leave dated May 4, 2022 with initial LC
  - Letter of menstrual leave dated June 23, 2022 with initial PJ
- Employee Attendance document every month which informs the number of attendances, leave, illness and others.

Based on document verification, interview with workers (harvesting workers, manuring workers, factory workers, etc.) known that there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation. Based on interview with harvester and wage simulation, known that harvest workers' wages are based on their work (base/target). If the worker gets the base/target, then he gets a premium, and if the worker does not get the base/target but has worked for 7 hours, then the worker gets 1 working day's wages (worth the minimum wage per day).

Interview with labor union and workers, said that wages paid are in accordance with applicable regulations. Based on that interview also known that deduction for workers such as BPJS deduction tax and has been described in the company regulation. Based on interview with contractor and verification of wages of contractor workers known that contractor workers have given minimum wages by contractor.

#### 6.2.4

The results of field observations in housing areas and interviews with workers and labor union known that the company has provided housing facilities, infrastructure and facilities that are decent/in good condition to workers such as houses, clean water facilities, religious facilities, sports, clinic and others. The condition of the house is permanent and has good sanitation. From the interview, also known that in each housing location there are child care areas, trash bins, generator rooms/houses (to provide electricity), bore wells and others.

#### 6.2.5

The results of interviews with employees and worker representatives (Bipartit), known that there are sellers of foodstuffs especially for vegetables and side dishes that enter the plantation area on a regular basis. Based on the results of interviews with residents of housing and workers, it was stated that workers had no difficulty in obtaining adequate food sources at competitive prices. There are nearby markets that can be reached, namely the Tani Makmur Market, Sungai Baung Market, Beilas Market and others.

#### 6.2.6

The determination of wages at PT Inecda is based on the minimum wage in Indragiri Hulu Regency based on the Decree of the Governor of Riau No. Kpts.1272/XI/2021 on November 30, 2021. The Minimum Wage for Indragiri Hulu Regency in 2022 is Rp. 3.097.706. Related to this, the company has Letter No. 173/HRD/INC-PKU/VI/2022 dated June 2, 2022 regarding the wage scale 2022.

In relation to DLW (Decent Living Wage), the company has tried to do Prevailing Wage calculations for each unit, which included samples of In-Kind Benefits, such as Housing, electricity for home, medical facilities, school transport for workers children, etc. As for DLW calculation is based on actual and rational price at certification unit location.

#### 6.2.7

Based on the results of verification of employment documents, interviews with management and labor unions and field observations, it is known that workers for the main jobs such as harvesting and factory operations, have been carried out by permanent workers. For contract workers/temporary work agreement (PKWT) who are recruited directly by the company to carry out tasks such as



maintenance. All temporary workers have been registered with the Indragiri Hulu District Manpower Office. Example of temporary agreement:

- Agreement No. 162/HRD/INC-KBN/II/2021 dated January 28, 2022 and valid until December 20, 2022 for maintenance work
- Agreement No. 164/HRD/INC-KBN/II/2021 dated January 28, 2022 and valid until December 20, 2022 for maintenance work.

<b>Status: Comply</b>
-----------------------

### 6.3

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

#### 6.3.1; 6.3.2; 6.3.3

The policy regarding 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 1, 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.

The company has provided socialization related to company policies including the policy of certification, such as:

- Dissemination of company policies including the policy related to freedom of association on April 14, 2022 to 72 participants
- Dissemination of company policies including the policy related to freedom of association on March 24, 2022 to 73 participants

The results of interviews with workers such as harvesters, spray workers, factory workers and others, known that the company has provided socialization related to freedom of association. From the results of interviews with workers, known that there is labor union in the company. The PT Inecda Labor Union has been registered at the Manpower Office with a record number, including:

- For estate units → No. 01/PUK FS PPP – SPSI/DTKT.3/09/IX, dated September 3, 2009
- For mill units → No. 42/Dinsosnakertrans.04/PHI/IX/2013 dated March 14, 2013.

Based on interview with labor union known that there is no intervention related to election of workers representatives or in the implementation of any activities.

<b>Status: Comply</b>
-----------------------

### 6.4

**Children are not employed or exploited.**

#### 6.4.1; 6.4.2; 6.4.3; 6.4.4

The company has a policy regarding the age of workers which is explained in the Sustainable Palm Oil Policy which was signed by the Chief Executive Officer, Chief Financial Officer and Chief Operational Office, dated April 1, 2014 at point 7 which states that the company will not employ children under the age of 18 years.

The company shows evidence of policy socialization to workers and contractors, including:

- Minutes of socialization of company policies to contractors on July 4, 2022 to 14 participants
- Minutes of socialization of NDPE, human rights, code of ethics, protection from sexual harassment and the prohibition of employing children under the age of 25 February 2022 to 8 participants, to contractors attended by 7 participants

The company has also shown agreement with contractors that have explained the prohibition on employing children under 18 years of age, forced labor and workers from human trafficking, for example agreement No. 09/ST/INC-PKU/PRC/PT. A/II/2022 dated February 10, 2022 and agreement No. 25/TBS/INC/BMJ/V/2022 May 21, 2022.

The results of the verification of the labor list document, interviews with internal and external stakeholders, and field observations revealed that there was no indication of any workers under the age of 18.

<b>Status: Comply</b>
-----------------------

### 6.5

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

#### 6.5.1



The policy regarding the protection of decency and sexual harassment on December 16, 2017 was approved by the Director of Operations, Director of Finance and President Director. The company's management is committed and will take the necessary actions to prevent the occurrence of violations of moral norms and sexual harassment and act promptly and fairly on reports of sexual harassment in a prudent manner by maintaining confidentiality. If it is proven that there is a violation of moral norms and sexual harassment experienced by employees, the perpetrator will be given strict sanctions regardless of rank in the company.

The company has provided socialization related to company policies including sexual harassment policies, such as:

- Minutes of socialization of the gender committee on June 24, 2022 to 27 participants
- Minutes of socialization of company policies to contractors on July 4, 2022 to 14 participants
- Minutes of socialization of NDPE, human rights, code of ethics, protection from sexual harassment and the prohibition of employing children under the age of 25 February 2022 to 8 participants, to contractors attended by 7 participants.

The results of interviews with workers, especially female workers, revealed that the company had provided socialization related to policies to prevent sexual harassment and violence and protect reproductive rights. The company already has a gender committee to handle women's issues or problems. The results of interviews with representatives of gender committee and female workers revealed that there were no cases of violence or sexual harassment in the last 1 year. In addition, from the interviews known that the company has gave permission/maternity leave, menstrual leave and permission to breastfeed for female workers.

### 6.5.3

The company has identified the needs of new mothers which was held on June 2022. As a follow-up to these activities, the company shows the Minutes of the results of the assessment of the needs of new mothers giving birth. The action plans from the results of these activities include:

- Discussion about the appropriate time for young mothers who are given permission to breastfeed
- Provide lactation room at the specified location
- etc.

The results of interviews with female workers and gender committee revealed that the company had given permission or time to breastfeeding mothers.

### 6.5.4

The Company has a complaint mechanism that guarantees the anonymity and protection of the complainant when requested, which is stated in the Grievance Handling Procedure document, document number 007-SOP-HRD, revision number 02, effective date of March 20, 2018. The procedure explains that the Company will protect the identity of the complainant (anonymity) relating to the security of each complainant and also relating to information provided by the reporter to the company against unfair actors, perpetrators of corruption and perpetrators who oppose the rules and code of ethics within the company.

The results of interviews with workers and labor union known that workers understand the grievance mechanism. Complaints can also be submitted to labor union. As for complaints related to women's issues can be submitted through the gender committee.

<b>Status: Comply</b>
-----------------------

## 6.6

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

### 6.6.1; 6.6.2

The results of the verification of the labor register documents, work agreement documents, interviews with labor unions, workers, and the Manpower Office revealed that there were no casual daily workers in the company. There are only permanent workers and temporary workers/ PKWT (for maintenance and supporting) at PT Inecda. From the results of interviews with workers, known that there is no forced labor in the company. All workers who work are in accordance with the mutually agreed agreement or letter of appointment.

In addition, the company also shows temporary work agreement, for example agreement No. 162/HRD/INC-KBN/II/2021 dated January 28, 2022 and is valid until December 20, 2022. The agreement has explained several working conditions, rights and obligations of workers, wages, leave, social security and others. The agreement has been signed by both parties. From the results of interviews with workers and representatives of workers through labor unions, it is known that the company has provided a copy of the

agreement to the workers.

The company has also shown evidence of temporary work agreement registration at the Manpower Office, such as:

- Registration of temporary work Agreement No. Kpts.560/Disnaker-PKWT/163 dated June 27, 2022 for 8 workers
- Registration of temporary work Agreement No. Kpts.560/Disnaker.02-PKWT/13 dated February 15, 2022 for 70 workers

**Status: Comply**

## 6.7

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

### 6.7.1

PT Inecda has established an OHS Committee for plantations and factories that are responsible for the implementation of OHS in the field, which includes among others:

- Decree of the Head of the Manpower and Transmigration Office of Riau Province No. KEP.230/Disnakertrans-PK/SK-P2K3/X/2018 dated October 4, 2018 regarding the revision of OHS Committee at the provincial level at mill which includes the organizational structure of OHS Committee with the initial's secretary AP.
- Decree of the Head of the Manpower and Transmigration Office of Riau Province No. KEP.109/Disnakertrans-PK/SK-P2K3/IV/2021 dated April 19, 2021 regarding the ratification of OHS Committee at estate which includes the organizational structure of OHS Committee with secretary initials H.

The OHS Committee secretary assigned by the company already has a general OHS expert certificate, such as for the initials AP with Appointment Decree No. 5/6166/AS.02.04/X/2019 on October 23, 2019 while for the initials H with Appointment Decree No. 5/6165/AS.02.04/X /2019 dated October 23, 2019 with a validity period of 3 years.

OHS Committee meetings have been held regularly every month with discussions on OHS issues and their follow-up, for example the OHS Committee meeting held by mill on June 16, 2022 which was attended by 17 people with discussions including:

- Evaluation of the completeness of PPE.
- Evaluation of emergency response facilities.
- Evaluation of OHS on cleanliness and placement of work tools.
- Evaluation of work accidents and prevention efforts.
- Socialization of OHS to employees.

### 6.7.2

The company has established an emergency response system referring to the Emergency Preparedness and Response procedure with document No 024-SOP-ISP signed by the company's COO and valid since January 2, 2014 regarding the General Emergency Preparedness and Response Team and specifically refers to company documents.

The company also has trained first aid workers, for example with the initials ES with certificate No. Reg.13717/P3K/KK/13/2015 issued on January 6, 2015. Based on interviews with first aid workers, it can be concluded that the first aid workers know the function of the contents of the first aid kit, in addition to periodically monitoring the contents of the first aid kit for later completion.

In addition, the company has documents for emergency response facilities and infrastructure which were monitored for the last time on January 18, 2022, which includes equipment such as stretchers, fire extinguishers, medical oxygen, waist bags, first aid kits, ambulances, sirens, heat-resistant clothes, etc. Based on field visits to the warehouse for emergency response facilities and infrastructure, it was found that the conditions of emergency response facilities and infrastructure were in good condition and functioning.

### 6.7.3

The company show documents related to the provision of PPE in the SOP document for the Management of Personal Protective Equipment (PPE) Document No 019-SOP-ISP Revision 1 which has been in effect since February 18, 2019. In the guidelines it is stated that for PPE that has been damaged / cannot function properly before the frequency replacements that have been determined, can request replacement by bringing the old PPE and obtaining approval from their respective superiors.

In order to implement these regulations, the Company provides adequate Personal Protective Equipment (PPE) in accordance with

its designation for each worker, for example shown as follows:

- Records of the submission of PPE on June 9, 2022 in the form of rubber gloves to 21 employees of Afdeling VIII harvest.
- Records of the submission of PPE on May 31, 2022 in the form of masks and cloth gloves to 4 mill employees.

In line with the results of document verification, spray workers at block C5 Afdeling 6, explained that employees had received PPE free of charge by the company and understood the mechanism for replacing PPE if the PPE was damaged/lost. The PPE used by workers is currently in good condition and ready to use, and it was also conveyed that the spray workers' clothes will be placed in the rinse house for later washing.

The auditor made field observations in the storage warehouse, it was known that the company had provided sufficient spare PPE such as helmets, shoes, goggles, cloth gloves, rubber gloves and aprons.

Based on the explanation above, it is known that business actors provide adequate Personal Protective Equipment (PPE) in accordance with their designation for each worker.

#### 6.7.4

The company has a Collective Labor Agreement which explains that workers are entitled to health care and are covered by accident insurance.

The company shows evidence of BPJS payment, including:

##### **BPJS Employment**

##### **Estate**

- Evidence of payment in May 2022, paid on June 15, 2022 for 1,263 workers.
- Evidence of payment in April 2022, paid on May 13, 2022 for 1,269 workers.

##### **POM**

- Evidence of payment in April, paid on May 13, 2022 to 95 workers
- Evidence of payment in May, paid on June 15, 2022 to 94 workers

##### **BPJS Health**

##### **Estate**

- Evidence of payment in May, paid on May 10, 2022 for 1,260 workers
- Evidence of payment in June, paid on June 10, 2022 for 1,263 workers

##### **POM**

- Evidence of payment in May, paid on May 10, 2022 to 94 workers
- Evidence of payment in June, paid on June 10, 2022 to 92 workers.

Based on the results of online media news searches and interviews with stakeholders, information was obtained that there were fatality work accidents in 2021 (harvest) and 2022 (mill). The explanation for payment of BPJS claims and workers' rights is as follows:

- Workers with initial KD (harvesters) have been shown the BPJS claim documentation which is transferred to the workers' heirs. The transfer is carried out by BPJS. The company has also shown the payment of workers' rights such as severance pay, housing replacement, mourning money, etc. based on the Collective Termination Agreement dated November 9, 2021. The rights of the workers have been transferred by the company to the heirs on December 7, 2021.
- Workers with initial JP (Mill). The BPJS claim process is still in process at BPJS. The company has submitted the BPJS worker payment application form to BPJS on July 1, 2022.

Based on interviews with labor union, it was known that all employees know the procedures for medical services in the event of an accident or illness. All employees interviewed also claimed to have BPJS health cards, if they went to the company's clinic for treatment there was no charge at all. Based on interviews with contractor representatives, it is known that accident insurance for contractor workers is borne by the contractor's own head.

#### 6.7.5

The company shows the company's OHS performance statistics form in 2021, including the following:

- Estate = FR: 57.21; SR: 109.04; IR: 1.02; ALTR: 1.91

- Mill = FR: 5.79; SR: 60.87; IR: 0.15; ALTR: 10.5

The company holds monthly meetings to evaluate each work accident, which is then listed in the OHS Committee report.

**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 shows the SOP for pest observation and control approved by the COO which is listed in:
- Pests and Diseases Procedure No. 023-SOP-AGR, Revision 1 which has been in effect since October 3, 2019. This SOP aims to:
    - Know the basic principles of pest and disease management.
    - Understanding the life cycle of pests that can help in their control strategies.
    - Understand the disease infestation needed to carry out the control response.
    - Assist in understanding the presence of pests/diseases, identifying their location and distribution.
  - Biological Pest Control Procedure No. 024-SOP-AGR, Revision 1 which has been in effect since October 3, 2019. This SOP aims to:
    - Effective pest control.
    - Creating conservation of the presence of natural enemies in the field by cultivating host plants for their habitat.

Based on the records of the census of pests and plant diseases for the period of 2022, it is known that there were several attacks of pests and plant diseases, for example, *Oryctes* attacks with low attack criteria with an average percentage of 0.49 stems. Based on field visits, for example block I13 afdeling IV Estate 1, no signs of pests and plant diseases were found.

**7.1.2**  
Based on the results of a review of useful plant monitoring documents and interviews with company management, it is known that the company uses owls and *Cassio Tora* plants as biological control agents. Based on the regulations in force in Indonesia, it is known that this species is not an invasive species.

**7.1.3**  
Based on the plan verification document and the 2021 beneficial plant realization document, it is known that the company planted *Turnera*, *Antigonon* and *Casia Tora*. Based on field observations on weed control activities and interviews with workers, it is known that the company does not use fire in the process of controlling pests and diseases.

**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 procedures related to controlling plant pests and diseases as well as weed control, which are listed in:
- Immature Weed Control Procedure No. 021-SOP-AGR.
  - Mature Weed Control Procedure No. 022-SOP-AGR.
  - Pest and Disease Procedure No. 023-SOP-AGR Revision 01.
  - Biological Pest Control Procedure No. 024-SOP-AGR Revision 01.

Based on these procedures, the company carries out control according to the level of attack based on the results of the census and the rotation of the control, for example, as stated in the results of the censuses in Plantations I and II, among others as follows:

- The *Oryctes* Census for the January-June 2022 period showed a low average attack rate of 0.59%, so that in this case the company did not take control measures.

- The census of caterpillars that eat oil palm leaves for the January-June 2022 period showed a low average attack rate of <1 sheath, so in this case the company did not take control measures.
- The rat census for the January-June 2022 period showed a moderate average attack rate of 1.1 sheaths. To reduce these attacks, the company controls by breeding owls with a total of 66 owl cages.

The company shows the pesticides used for the period 2021-2022, where these pesticides have also been registered with the pesticide commission, such as:

Merk	Active Ingredients	License Number	Validity period
Basta 150 SL	Amonium Glifosinat	RI. 103011992111	12 November 2023
Pelita 480 SL	Glifosat	RI. 01030119981417	03 September 2023
Triester 480 EC	Triklofir	RI. 1030120083087	23 April 2024
Dejavu 288 EC	Fluroxipir	RI. 1030120103827	18 August 2024
Metsulindo plus 80 WP	Metil Metsufuron	RI. 01030120124374	06 October 2022

The company also periodically conducts internal training for pesticide applicators, the last of which was on 10 May 2022.

### 7.2.2

The pesticide application program is contained in the annual work plan which is then broken down into monthly work plans and daily work plans. Documented records of pesticide use in monitoring pesticide use for the January-December 2021 period include the following:

Active Ingredients (a.i)	Use Ingredient	Application (Ha)	Total a.i	a.i/ha
Ammonium Glufosinat (Liter)	3,260	4270.47	0.0000000000001	0.00000001
Glifosat (Liter)	7,247	4270.47	0.0000000000001	0.00000002
Triklopir (Liter)	789	4270.47	0.0000000000050	0.00000014
Fluroksipir (Liter)	330	4270.47	0.0000000000172	0.00000020
Metil Metsufuron (Kg)	1,000	4270.47	0.0000000000005	0.00000002

### 7.2.3

Management's commitment in the Pesticide Use Policy dated July 10 2018, which includes stopping the purchase and use of paraquat; limiting the use of pesticides in WHO conventions class 1A, 1B, Stockholm or Rotterdam; prioritizing environmentally friendly and efficient biological and non-chemical control; good handling of pesticides starting from procurement, handling, storage of tools and materials, distribution, application, post-application, hazardous and toxic waste, medical supervision, and prohibition for pregnant and lactating women to become pesticide applicators.

The company also shows records of pesticide use from 2020-2021, for example in plantation 1 as follows:

Pesticide	Unit	2020		2021	
		Application (Ha)	Use	Application (Ha)	Use
Ammonium Glyphocinate	Liter	4270.47	3,435	4270.47	3,260
Glyphosate	Liter	4270.47	9,488	4270.47	7,247
triclopyr	Liter	4270.47	711	4270.47	789
Fluroxipir	Liter	4270.47	218	4270.47	330
Methyl Metsulfurone	Kg	4270.47	1,160	4270.47	1,000

Based on the use of these pesticides, it is known that there is a reduction in the use of pesticides such as *Ammonium Glyphocinate*, *Glyphosate* and *Methyl Metsulfurone*.

Based on the results of document review and field visits, it is known that the company has also used beneficial plants and natural enemies of pests as a method of reducing the use of pesticides.

### 7.2.4-7.2.5

The company also showed the realization of pesticide use for the period 2020-2021, in which no use of paraquat was found. According to information provided by the company's management, it was reported that the company had substituted the use of paraquat with



ammonium *Glyphosate*.

In addition, from field observations and document verification, it can be concluded that the company does not use pesticides prophylactically to prevent plant pests and diseases.

#### **7.2.6**

The company has Pesticide Management Procedure No. 025-SOP-AGR which provides information regarding the handling of 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). In addition, the company regularly conducts internal training for employees who come into contact with chemicals, for example, the last one was held on May 10, 2022.

Based on the field visit on the spray activity in block C5 Afdeling 6, the workers conveyed the identification of hazards, risks and chemical control plans and their implementation in the field. In addition, employees were found wearing complete PPE and in good condition such as aprons, goggles, cloth gloves, rubber gloves, shoes and masks. It was also conveyed by employees that PPE is provided free of charge by the company and workers understand the mechanism for replacing PPE if the PPE is damaged/ lost.

#### **7.2.7**

Based on field observations in pesticide storage warehouses, it can be concluded that pesticide storage is placed on shelves that have been labeled with trademark names and other facilities such as MSDS, entry and exit records of goods and symbols of hazardous and toxic materials. The pesticide storage warehouse is also equipped with ventilation as well as hand washing and eyewash areas as one of the first aids in the event of a work accident. In addition, the warehouse officer stated that periodically used pesticide packaging was sent to temporary storage of hazardous and toxic materials or reused for the same type of chemical.

In line with this, from field visits to residential areas and landfills, there were no traces of pesticide packaging that were reused and disposed of carelessly.

#### **7.2.8**

The company can show the procedures for managing used agrochemical packaging and agrochemical contaminated water Document Number 014-SOP-ISP which has been approved by the Chief Operation Officer (COO) effective January 2, 2014. In addition, the company also has SOP for Pesticide Management Number 025-SOP- AGR. The SOP explains, among others:

- As a guide in the management of used chemical packaging and used fertilizer sacks produced.
- Reuse (reuse) of waste water from washing and used chemical packaging and washing sacks, the aim is to minimize the impact of environmental pollution on the soil and water media at the activity location.
- There is no longer any practice of mixing chemicals in the field by workers, this is to minimize the impact of environmental pollution.
- Make sure all used pesticide containers are returned to the warehouse after the work day is over, then the warehouse staff is obliged to manage the pesticide packaging waste.
- Management of used pesticide packaging can also be done by handing over the used packaging to the supplier.
- Pesticides should not be loaded, stored and placed in containers commonly used for household use, such as used mineral water bottles.

The company has also conducted socialization to employees regarding the prohibition on the use of hazardous waste packaging including used pesticide packaging on April 29, 2022. Based on field observations at agrochemical warehouses and hazardous waste storage areas, it is known that pesticide storage areas are well managed, oil traps are available, air ducts are quite an isolated. The large packages of used pesticides are partly reused as a place for mixing pesticides and some are returned to the hazardous waste warehouse, while the small ones are not reused and stored in a well-monitored hazardous waste storage warehouse which is then handed over to a licensed collector. Based on interviews with pesticide application officers, it was found that all small pesticide packaging containers were returned and sent to the Hazardous Waste Warehouse and were not used for any other purpose other than pesticide application activities. All used packaging containers, work tools and work clothes are stored in a special storage area, so that no contaminated items are taken home. The results of observations in the employee housing area showed that there was no reused pesticide packaging.

#### **7.2.9**



Based on interviews with management representatives, it was informed that there was no airborne application of pesticides. This was also conveyed by trade unions and community representatives, who stated that the company did not spray pesticides through the air.

#### 7.2.10

The company has SOP No. 005-SOP-HRD regarding employee health checks which explains in point 6.2 point 1 that the company through HRD is required to conduct periodic checks every year on employees.

The company also shows the results of the last medical examination on November 29 – December 3, 2021 which includes cholinesterase examination, spirometry, general medical check-up and audiometry. The health check was attended by 104 mill employees and 1,027 estate employees, including pesticide applicators, who subsequently disseminated the results of the examination on April 9, 2022.

#### 7.2.11

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

<b>Status: Comply</b>
-----------------------

### 7.3

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

#### 7.3.1

The company has identified waste resulting from operational activities, the identification is grouped based on activities that generate waste, name of waste, waste code, type of solid or liquid, and its management. The determination and classification of waste codes uses the reference to Government Regulation number 101 of 2014. The company also has several procedures related to waste management and utilization which are listed in several documents, including:

- SOP for Hazardous and Toxic Waste Management Number 012-SOP-ISP revision 2 dated October 1, 2018.
- SOP for Management of Hazardous and Toxic Materials Number 011-SOP-ISP dated January 2, 2014.
- SOP for Monitoring the Quality of POME Number 029-SOP-ISP dated January 2, 2014.
- SOP for Management and Utilization of Factory Waste Number 014-SOP-POM dated May 5, 2014.

In the realization of waste management, it is divided into several types based on the characteristics of the waste it produces, including:

#### Hazardous and Toxic Waste

In the management of hazardous and toxic waste, the company does not reuse it but only temporarily stores it in one warehouse. The company also has a hazardous waste storage area that has a Hazardous and Toxic Waste Management Permit in accordance with the Decree of the DPMPTSP of Indragiri Hulu Regency Number 16/DPMPTSP/BP-LB3/XI/2020 dated November 23, 2020. This permit is valid for a period of 5 years. The permit refers to the Recommendation for Hazardous Waste Management Permit for Storage activities given by the Head of the Environmental Service of Indragiri Hulu Regency Number 660/DLH-INHU/308 on November 3, 2020. The permit is valid for 1 (one) hazardous waste storage warehouse located in factory area.

The waste stored in the temporary storage warehouse will then be transported by a licensed party every 3 months. The latest transportation is proven through the Electronic Manifest document and the official report of the transportation carried out on June 30, 2022 by PT Mitra Jaya Pertiwi which is a licensed party. The company can show a cooperation agreement with the carrier, which is based on the document of the Cooperation Agreement Number 087/PPLB3/SUS/INC-PKU/X/2021 which was made on October 30, 2021. The company can also show the legality documents of the carrier, such as a transportation permit from the Ministry of Environment and Forestry which is still valid, a valid permit for the operation of special goods transportation from the Ministry of Transportation, a valid Business Identification Number and a Cooperation Agreement between the carrier and the licensed processor and/or beneficiary.

Companies can also show documents for storing and handling Hazardous Waste in accordance with their SOPs and Government Regulation Number 101 of 2014. These documents include Manifest, balance sheet, and logbook. Based on the results of the document review by comparing the Manifest, balance sheet and logbook, it can be seen that the data on waste transported on June 30, 2022 was in accordance with the data recorded in the balance sheet and logbook for the period before the transportation was carried out. Similarly, the comparison between the date after the transportation was carried out (July 2022) starting from empty. The company records all waste that enters and leaves the storage warehouse properly so that waste management data can be tracked

easily and there are no recording differences.

The results of field visits to hazardous waste storage warehouses at Inecda POM and Estate also show that the company has carried out hazardous waste management quite well. All obligations listed in the waste storage permit have been fulfilled, such as the availability of fire extinguishers, showers, eyewash, coordinates, alarms, first aid kits, oil traps and appropriate labeling. In addition to good lighting and air ventilation, the company also has drainage channels on the outside of the warehouse to anticipate pollution to the surrounding environment. The results of interviews with warehouse managers also show that managers fully understand the SOP for hazardous waste management and mitigation actions in the event of potential pollution. The company has also reported the results of the hazardous waste management carried out on a quarterly basis as described in indicator 1.1.2. Regarding non-conformity in surveillance-2, the company has shown a commitment to comprehensive improvements as evidenced by the results of field observations in hazardous waste warehouses, which show that all hazardous waste produced has been carried out with labels and symbols as well as the identity of the name of the type of waste.

#### **Non-hazardous and toxic waste**

Non-hazardous waste such as domestic waste and used fertilizer sacks is managed in the form of reuse as described in indicator 7.2.8. In addition, waste that cannot be reused will be collected, if it still has economic value such as scrap metal and used tires, it will be sold to parties who cooperate with the company. Non-hazardous waste that cannot be reused will be disposed of in landfills. Transportation of non-hazardous waste from employee housing or emplacement areas is carried out once a week and immediately disposed of in a landfill, and when the landfill is full, it will be stockpiled and put-up signboards marking the opening and closing dates. The company has a policy regarding the prohibition of burning waste, including in landfill areas.

The results of field observations in the landfill and emplacement area showed that there were no traces of combustion, all domestic waste was disposed of in waste collection tanks scattered throughout the building with the classification of organic and inorganic waste types. The results of interviews with residents of the emplacement also stated that the company routinely carried out socialization related to domestic waste management, either directly through meetings, or indirectly by installing signboards prohibiting burning garbage and littering.

#### **Liquid, Solid and Air Waste**

Solid waste from the FFB processing process in the form of shells, fiber and EFB is reused by the company as a substitute for fossil fuels (Solar) for power generation in boilers, while for most of the EFB it is used to substitute fertilizer applied to the land. Some of the solid waste in the form of shells is also shipped or sold. Data on solid waste utilization is explained in more detail in indicator 7.9.1. In domestic waste management, the company also has a Domestic Waste Permit for Factory Number 2/DPMPSTP/BL-IPAL/III/2020 and Estate Number 3/DPMPSTP/BL-IPAL/III/2020, based on the decision of DPMPSTP Indragiri Regency dated March 17, 2020. The permit is valid for 5 years from the date of stipulation.

The company utilizes POME by applying it to the Land Application and not dumping it into water bodies. The regulation and management of POME are explained in more detail in indicator 7.8.3. As for air waste, the company has not made a common use for air waste, namely the Biogas Plan, so far, the management related to air waste has only been limited to measuring air quality from waste-producing sources such as WWTP, Boilers and Gensets.

#### **7.3.2**

Based on an interview with the Hazardous Waste Warehouse Officer and Inecda POM Manager, it is known that they have understood the handling of waste disposal, especially hazardous waste and domestic waste as well as hazardous waste management in accordance with the procedures owned by the company. sent to a landfill which is then stockpiled (without burning). The results of interviews with workers living in the company's area also stated that the waste management carried out by the company was very good and regular. Trash cans are provided properly, all waste disposal facilities have also been provided by the company such as organic and non-organic waste bins that will be replaced if damaged, hazardous waste warehouses and landfills. The resource persons also understand very well how to separate the types of waste they produce and what types of waste should not be reused. The respondent's understanding of waste management is the result of routine and consistent socialization and training as evidenced by the minutes that have been carried out on 6 – 11 March 2022 to all staff and employees of Estate 1 and 2. Field observations in the Estate housing area and POM also indicated that the housing conditions were quite clean and there was not a lot of garbage lying around.

Regarding the NCR verification on ASA-2, it shows that the company has carried out comprehensive improvements such as separating domestic waste for organic and non-organic at the Landfill Estate and Mill, as well as for the oil warehouse area, generator warehouse and afdeling housing, indicating that there is no longer hazardous waste. and domestic waste found to be disposed of improperly. Employee interviews conducted by random sampling also showed that all of the employees in the sample could explain about the waste management regulations applied in the company, as well as the sanctions given if they violated them. This shows that the non-conformance to ASA-2 in this indicator has been met and completely corrected.

### 7.3.3

The company does not do open burning to destroy waste, this can be proven from field observations in residential areas and Landfill Estate and Mill where no traces of burned waste were found. Observations were also made at locations that were previously found, and in all these locations no traces of waste burning were found. The results of interviews with employees also stated that they have never burned waste again, because they know the prohibition on burning activities and the sanctions they will receive if they burn. Organic and inorganic waste from housing is disposed of in the bins provided, then transported once a week and disposed of in landfills and then buried when it is full. The results of field observations in employee housing areas also show many warnings to prohibit waste burning activities as well as the dangers that can arise from burning activities. Interviews with management also explained that the regulations regarding the prohibition of burning have been understood by all workers and strict action would be taken if they violated them. Based on this, it shows that the non-conformance to ASA-2 in this indicator has been fulfilled and completely corrected.

<b>Status: Comply</b>
-----------------------

## 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 fertilization procedures, including the following:

- Procedure for Fertilization in Nurseries No. 011-SOP-AGR.
- Procedure for Inorganic Fertilization No. 026-SOP-AGR.
- Procedure for Organic Fertilization No. 027-SOP-AGR.
- Procedure for Land Application No. 028 - SOP-AGR.

The procedure includes 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.

### 7.4.2

The procedures for analyzing leaf and soil samples are presented in document no. 043-SOP-AGR regarding leaf sampling and No. 044-SOP-AGR on soil sampling issued on 01 April 2018. Both procedures state that fertilization recommendations should be based on leaf and soil sample analysis. Leaf sampling is carried out once a year, while soil sample analysis is carried out every five years. The results of the last analysis are presented as follows:

- Soil Analysis No. 1445/CPS/I/2021 dated January 20, 2021, issued by the Central Plantation Services Laboratory for a total of 52 samples with the analyzed parameters including PH, Organic C, N, P Bray 2, Al, K Mg, Ca CEC.
- Leaf Analysis Number 1332/CPS/XI/2021 dated November 4, 2021 issued by the Central Plantation Services Laboratory for a total of 116 samples, with the analyzed parameters including N Kjeldhal, P, K, Mg, Ca, B, Cu and Zn.

### 7.4.3

In the effort of nutrient recycling strategy, the company utilizes the recycling of EFB and the utilization of POME which is used as organic fertilizer. The utilization data for January – June 2022 are as follows:

Utilization of POME

Month	Application (M3)
January	12,785
February	12,765
March	13,292
April	15,411

May	14,451
June	16,433
<b>Total</b>	<b>85,137</b>

EFB utilization distribution

<b>Estate</b>	<b>Utilization of EFB (Ton)</b>
Estate I	4,927.02
Estate II	10,739.84
<b>TOTAL</b>	<b>15,666.86</b>

Based on the data shown, the company has been recycling nutrients as an effort to reduce the use of non-organic fertilizers.

#### 7.4.4

The company has an Inorganic Fertilization Procedure with No. 026-SOP-AGR which informs, among others, the following:

- Fertilization planning (recommendation of fertilization according to the results of soil and leaf analysis).
- Preparation of fertilization programs (purchasing orders, preparation of fertilization programs and sampling of fertilizers to be applied).
- Fertilizer application program.
- Monitoring application of fertilizer (standard application and administration of fertilization by the foreman and return of sacks of fertilizer to the warehouse).

The company also shows records of fertilization programs and realizations for the 2021 period, for example in Plantation II, among others as follows:

<b>Fertilizer Type</b>	<b>Recommendation</b>		<b>Realization</b>	
	<b>Kg</b>	<b>Area (Ha)</b>	<b>Kg</b>	<b>Area (Ha)</b>
Urea	885.40	3,629.05	885.35	3,629.05
RP	512.50	3,629.05	513.20	3,629.05
MOP	1,104.80	3,629.05	1,104.80	3,629.05
Dolomite	609.20	3,629.05	609.20	3,629.05
Kieserite	106.10	3,629.05	106.10	3,629.05
Borate	36.28	3,629.05	36.28	3,629.05
CuSO <sub>4</sub>	23.71	3,629.05	23.71	3,629.05
ZnSO <sub>4</sub>	26.34	3,629.05	26.35	3,629.05
TSP	113.40	3,629.05	113.40	3,629.05
Haracoat	76.40	3,629.05	76.40	3,629.05
CRF	57.34	3,629.05	57.34	3,629.05

Based on the document above, it can be concluded that fertilization in the 2021 period has been completed in accordance with the recommendations.

**Status: Comply**

## 7.5

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

#### 7.5.1

Based on the topographic map of PT Inecda with a scale of 1: 50,000, it is known that the majority of the area managed by local companies is flat. The class of vulnerabilities at PT Inecda are as follows:

<b>Slopes</b>	<b>Area (Ha)</b>
0-8 % (flat)	9,242.68 (97.87%,)
8-15 % (sloping)	183.66 (1.94%)
15-25 % (Hill)	17.05 (0.18%)

The company also shows a soil map of soil types and a peat soil survey in 2018 which informs the type of soil consisting of 85.54% peat soil and 14.46% mineral soil with peat depth from <3 m to a depth of >3 m.

#### 7.5.2-7.5.3

Based on data from the 2018 land survey study, it is known that PT Inecda does not own land with a slope of more than 40 degrees.

**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.**

#### 7.6.1-7.6.3

Based on the topographic map of PT Inecda with a scale of 1: 50,000, it is known that the majority of the area managed by local companies is flat. The class of vulnerabilities at PT Inecda are as follows:

Slopes	Area (Ha)
0-8 % (flat)	9,242.68 (97.87%,)
8-15 % (sloping)	183.66 (1.94%)
15-25 % (Hill)	17.05 (0.18%)

The company also shows a soil map of soil types and a peat soil survey in 2018 which informs the type of soil consisting of 85.54% peat soil and 14.46% mineral soil with peat depth from <3 m to a depth of >3 m.

Based on interviews with management representatives, it was stated that the company does not yet have plans for the development of new plantations.

**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 the 2022 area statement and detailed peat inventory reporting, it is known that there are no new oil palm plantings in the existing area, except for replanting purposes. The company informs that there is no additional new development area in PT Inecda. The last replanting was carried out in 2022, with the following details:

Unit	Area Planted (Ha)
Estate 1	149.20
Estate 2	58.67

Based on the table above, it is known that oil palm planted after 15 November 2018 is for replanting purposes.

#### 7.7.2

The company shows a map of PT Inecda's soil types dated January 22, 2022 with a scale of 1:50,000 with the following details:

Map Reg.	Note	Peat Soil Area (Ha)
No. INC_IS_22_006a	Certified	5,118.95
No. INC_IS_22_006c	Non-certified	53.02
<b>Total</b>		<b>5,171.97</b>

The above data has also been reported to the RSPO via email to the RSPO GHG unit ([ghg@rspo.org](mailto:ghg@rspo.org)) on 18 May 2022 as a peat inventory report and until the audit is conducted there has been no response from the RSPO secretariat.

#### 7.7.3-7.7.4

The company already has a procedure for regulating high peat soil layers as stated in the water management procedure No 019-SOP-AGR dated May 5, 2014 which explains the subsidence of peat soil, namely:

- Installation of stakes at several points representing the type and depth of peat



- The location for the installation of peat subsidence monitoring stakes or monitoring points is provided with a fence and a notification sign informing the number of the monitoring point stake and the coordinates of its location. At the entrance to the monitoring location, signposts are given to make it easier to find out the location of the monitoring point.

Based on the study of the map document of the distribution of the subsidence stake locations, it is known that the company already has a total of 24 subsidence stakes. From the results of subsidence monitoring for the 2017-2021 period, it is known that the decrease in the peat soil layer in that period was 1.5 cm – 9.5 cm.

Based on the results of field visits, for example in blocks M20 and L14, afdeling IX Estate 2, it is known that the subsidence stakes are in good condition.

Based on the results of interviews with subsidence stake inspectors, it is known that these personnel understand and can explain the mechanism for regulating peat subsidence.

#### 7.7.5

Based on the distribution of planting years in peat areas, it is known that the distribution of planting years began in 1990-1992, 1995-1998, 2001, 2003-2009 and 2013-2020. From the planting year, it is known that the planting age in peat areas ranges from 2 - 32 years and replanting in peat areas has started from 2018 which will then continue with the replanting plan from 2022-2029.

The company also shows a peat Drainability study from 2018-2022 using the company's internal/self-assessment method. 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. Thus, the company has the opportunity to ensure the implementation of the initial Drainability assessment in accordance with these provisions. (OFI)

#### 7.7.6

The company already has a procedure for regulating high peat soil layers as stipulated in the water management procedure No 019-SOP-AGR dated May 5, 2014 which explains, among others:

##### Water level Stick

- The water level sign can be mounted on a box culvert or using wooden/iron stakes or parallon with a diameter of 10 -15 cm which is equipped with a water depth measurement
- Installation of water level markings is made on the main drain with an interval of 800 – 1000 m
- 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 peat areas the piezometer is placed at a ratio of 1:25-50 ha.
- The size of the piezometer pipe is 50 – 75 mm in diameter, 180 cm long with 3 rows of perforations, 10 cm diagonally (3 side diagonals)
- The piezometer pipe is placed in the ground with a 30 cm section above the ground, the water level is checked from a scale mark of 1-105 cm from the ground level down.

Based on the study of the map document for the distribution of piezometer and water level locations, it is known that the company already has 81 water levels and 22 piezometers. From the results of piezometer monitoring for the period of June 2022, it is known that the water level of the peat soil in that period is on average 57.60 cm. Based on the results of field visits, for example in blocks M20 and L14 afdeling IX Estate 2, it is known that the water level and piezometer are in good condition.

The company also has an emergency response organization which is listed in the Decree of the Operational Director of PT Inecda Number: 216/SK/KBN/INC/VII/2022 which was ratified on June 25, 2022 regarding the change of the Emergency Control Team. The team on duty includes patrols at fire-prone points and checking emergency response equipment on a regular basis. From the field visit, it was also found that the fire danger rating system signage was placed in the estate office and in every division office.

#### 7.7.7

From the results of field observations, it is known that all planned areas have been planted, areas that were not planted from the



beginning become HCV areas.

**Status: Comply**

## 7.8

### Practices maintain the quality and availability of surface and ground water

#### 7.8.1

Based on the 2008 AMDAL Addendum document, the results of the 2013 HCV identification, as well as river flow maps and water sources, it can be seen that there are several water sources in the company's operational areas. Based on the document, it is known that the water source management plan is to test the quality of surface water at the upstream and downstream of the river every 6 months and drill wells every 1 year. All tests were carried out by a KAN accredited laboratory (LP-750-IDN). Related to this, the company shows the results of testing the quality of surface water for the period of semester 1 of 2022 carried out on April 7, 2022. The company tested surface water with 44 indicators carried out at 2 sample points, namely Upstream and Downstream of the Air Hitam River because the water source used for POM processing comes from the Air Hitam River. There are also 7 rivers flowing through the company's plantation area, namely the Tani Makmur River, Siri River, Buluh River, Air Hitam PKS River, Air Hitam Belilas River, Parit River and Talang Perigi River which are all identified as HCV areas.

Based on the test results data for the Semester 1 period of 2022, there are no parameters that are not in accordance with the quality standards. The results of the analysis of test data during 2021 showed that there were several parameters that experienced fluctuations such as pH and BOD at the downstream of the Air Hitam PKS River and were not in accordance with the quality standard used, namely PPRI Number 22 of 2021 Class 2 regarding surface water quality standards. Based on the results of interviews and document review, the following conclusions were obtained:

- For pH and BOD, this is due to settlements and industries around the river border, the character of the river is also a peat water river where normally the pH value is lower than the quality standard and the BOD value is higher than the quality standard.
- The results of an interview with the Environmental Agency of Indragiri Hulu Regency stated that there were never any complaints related to river pollution around the company's area.
- The results of interviews with villages around the company also stated that there were no complaints of river pollution, nor did the community use the river for consumption.
- The results of interviews with management stated that the level of these parameters is influenced by the character of the peat river so that the pH and BOD levels are not in accordance with the quality standard.
- Physically, based on the results of field observations, it does show that the color of the river is relatively darker, but no indication of pollution is found because the river is also used by the company as a source of water for FFB processing.

The results of interviews with workers from Estate and Mill stated that there were never any complaints about river water, they only used the water for fishing and not for consumption or daily needs, while for other rivers it was not used specifically. The results of interviews with the community around the company and related agencies also did not reveal any negative issues related to the condition of the river water. In addition, the company has also made efforts to control potential pollution through protection of the entire water border by designating it as an HCV area and prohibiting the application of chemicals in all water border areas.

The unit of certification also does not limit access to clean water, and all workers also have access to adequate clean water. Based on the results of field observations in the Estate and Mill housing areas as well as interviews with fertilizer workers, spraying workers, and harvest workers, information was obtained that clean water facilities for housing were obtained from artificial reservoirs. Clean water testing is also carried out by the company to see the quality of clean water taken from reservoirs carried out by a KAN accredited laboratory (LP-750-IDN) on December 7, 2021. The results of testing the quality of clean water also show that all parameters of the test results are still in accordance with quality standards. The applicable regulation is the Regulation of the Minister of Health Number 32 of 2017.

The company also has a river border management plan which is described in the SOP procedure for monitoring surface water quality No. 32-SOP-ISP which was approved by the Chief Operation Officer on January 2, 2014. Based on the results of document verification and field observations to several sampling locations, it shows that the company has carried out activities in an effort to improve water quality, among others:

- Conduct socialization to all employees and the surrounding community to maintain water quality.
- Maintain the cleanliness of the environment around water sources so that sources of pollution can be minimized.
- Create a program to improve water quality gradually with the provisions of the applicable laws and regulations.

- Report the results of the examination in accordance with the provisions of the applicable laws and regulations.
- Testing the quality of river water and boreholes listed in the RKL/RPL report
- Management of erosion and surface water runoff, management of water in the lowlands and monitoring of surface water quality as stated in the implementation of RKL-RPL every semester.
- Waste water management using WWTP and Land Application.
- Monitoring the use of water for palm oil processing and evaluating its use.

The company's revegetation efforts in river border areas have also shown results, with evidence that the river border vegetation has been overgrown with dense forestry plants in several locations. The company can also show data on the results of planting activities where the annual target is 1800 trees, and for the first semester of 2022, 1,136 trees have been planted. Forestry plants such as *Sengon*, *Trembesi*, Mahogany, *Matoa* and *Durian* with a total planted area of 0.45 Ha located in 7 rivers within the company's operational area.

### 7.8.2

The company has procedures related to identification, management and maintenance of water sources and quality which are listed in the SOP for Management of Erosion-Prone Areas and River Borders Number 022-SOP-ISP revision 01 dated 10 February 2015 and SOP for Surface Water Quality Monitoring Number 32-SOP-ISP dated January 22, 2014. The SOP explains several things related to the management of river borders and other water sources, for example in order to protect water resources, determining the width of river borders following Presidential Decree no. 32 of 1990, carried out border protection, carried out socialization to all parties involved in plantation operational activities to participate in carrying out water protection activities, making boundary markings, and monitoring water resources. Until the ASA – 3 audit was conducted, the company had not yet replanted the peat river area.

The company also has topographic data in the form of maps with a scale of 1:50,000 which includes the scope of certification sourced from the Data Area Statement. Based on the map, it shows that there are flowing rivers, lakes/reservoirs and springs within the company area. The results of document review and interviews as well as verification of the company's area through satellite imagery also show that there is a water source within the company's area. In addition, the company shows a semi-detailed survey of the land map of the PT Inecda area with a scale of 1:50,000. Based on the map, the slope in PT Inecda is dominated by 0° – 8° with a total area of 97.87% of the total operational area. As for some locations that have slopes between 15° - 25° only about 0.18% of the total operational area.

The company also makes efforts to manage water sources such as periodically monitoring river conditions from potential pollution and fires every month, testing surface water quality standards to ensure water quality is still within normal limits every semester, and marking chemical application area boundaries with yellow and yellow colors. chemical application boundary markers. In addition, the company also conducts socialization to employees and the surrounding community in conservation efforts which can be proven based on the minutes of socialization to workers on 6 - 11 March 2022 and to the community on 14 - 17 March 2022. Results of interviews with spraying and fertilizing workers in some Afdeling also stated that they were aware of the rules regarding chemical application limits, prohibitions on washing chemically contaminated goods in water bodies and other activities that have a negative impact on water sources.

### 7.8.3

The unit of certification has facilities for the management of POME produced from palm oil processing with a capacity of 30-ton FFB/hour using WWTP. POME that has been managed at WWTP is then used as a fertilizer substitution in Land Application. Before being transferred to the land, all POME is included in the WWTP which consists of 13 ponds consisting of 1 Colling Pond, 3 Acidification Ponds, 4 Primary Anaerobic Ponds, and 5 Anaerobic Secondary Ponds with a total volume of 31,722 m<sup>3</sup>. Based on the WWTP plans shown by the company, the liquid waste that is channeled to the Land Application comes from the multi-feeding results of the 5 secondary anaerobic ponds. Liquid waste management is carried out with a multi-feeding system where waste is channeled directly to all anaerobic ponds simultaneously with a liquid waste circulation installation that is interconnected between ponds. After that, the effluent from each pond is channeled into a centralized ditch in the mixing pond and then flowed to the Land Application by pumping. Before being used, the waste is processed to reach the quality standard for the utilization of wastewater in oil palm plantations, namely pH 6-9 and a maximum BOD of 5000 mg/l. Fulfillment of these quality standards is obtained from taking test samples in a mixing pond located at the pump house.

The company also has a permit for the utilization of liquid waste for Land Application in accordance with the provisions of the applicable

quality standards based on the Decree of the Regent of Indragiri Hulu Number 22 of 2018 dated December 18, 2018 concerning the Permit for Utilization of Wastewater for Application to Land for the Oil Palm Plantation of PT Inecda. The permitted area is in Estate 1 covering an area of 290.08 Ha which is spread over 9 blocks (blocks A, B and C). The permit is valid for 5 years from the date of stipulation.

To determine the feasibility of POME quality, the company conducts monthly testing using quality standards that refer to the Ministry of Environment Decree No. 5 of 2014 Attachment III. The company can show evidence regarding the results of POME quality measurements in the form of test results documents carried out by a accredited laboratory (LP-804-IDN) with reference to the Decree of the Minister of Environment Number 28 of 2003. Based on the results of the analysis of test results documents for the period January – May 2022, that all parameters are in accordance with the applicable quality standards. This shows that POME produced from FFB management activities is feasible to be applied to land. The company has also tested the quality of monitoring wells located at Monitoring Well Block C15 in LA area, Monitoring Well Block B13 in non-LA area, and Monitoring Well Block B 17 conducted by accredited Laboratory (LP-750-IDN) with the Quality Standard of the Minister of Health of the Republic of Indonesia. Number 32 of 2017. Based on document verification, it is known that the test results are still in accordance with the stipulated Quality Standards.

In addition, the company also has procedures related to liquid waste management based on the SOP for Monitoring POME, Monitoring Wells, Control Wells and Population Wells with the number 029-SOP-ISP dated January 2, 2014 which explains the methods and procedures for sampling and testing procedures. The company has also reported the results of liquid waste management every month as described in indicator 1.1.2.

#### 7.8.4

Companies can show documents on water use for palm oil processing units along with supporting documents in the form of Surface Water Concession Permits based on the Decree of the Minister of PUPR Number 963/KPTS/M/2017 dated November 29, 2017 concerning the Granting of Water Resources Concession Permits to PT Inecda for Industrial Businesses in Air Hitam River which is valid for 5 (five) years. The permitted debit quota is **11.57 liters/second** or **30,000 m<sup>3</sup>/month**.

The company can also show the results of the recapitulation of water use for FFB processing and other uses. Based on the results of the study of the Water Usage document in July 2021 – June 2022, the company has set a water usage budget for Inecda POM of **2.06 m<sup>3</sup>/ton FFB**. Surface water usage data for the period July 2021 – June 2022 is **128,959 m<sup>3</sup>** for the FFB processing process of **176,255 tons** of FFB or equivalent to **0.73 m<sup>3</sup>/ton** of FFB or **10,747 m<sup>3</sup>/month**. Meanwhile, for the total water use, which is **267,387 m<sup>3</sup>** or equivalent to **22,282 m<sup>3</sup>/month**, the total water use is the result of the combined use of water for processes and other needs such as laboratories, offices, housing and others. Based on this, the company has documented detailed water use data, and used water in accordance with the allowed budget and quota.

The company can also show proof of payment of water levies to the Regional Revenue Agency of UPT Regional Revenue for the Indragiri Hulu Region for the period of water use from January to June 2022 with payments made monthly. An example of proof of payment of the latest water levy is based on the document of the Letter of Provision for Surface Water Tax for June 2022 which was paid on July 14, 2022. Also attached to the document is the proof of transfer, the stamp from the UPTPPD of the Indragiri Hulu Region along with the signature and recipient's name.

The results of field observations via video in the Water Treatment Plan (WTP) and Water Intake also show that the flowmeter used is still functioning properly. The results of interviews with officers responsible for WTPs also show that operators are very understanding about how WTPs work and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

<b>Status: Comply</b>
-----------------------

### 7.9

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

#### 7.9.1

The Certification Unit has made efforts to improve the efficiency of the use of fossil fuels and optimize renewable energy, these efforts are also monitored and documented in the form of a document Conversion of Biofuel to Solar at Inecda POM for the period 2021 - 2022. The biofuel in question is solid waste in the form of shells and fiber which used for substitution of fossil fuels (diesel) as a producer of electrical energy using a boiler. The recapitulation of solid waste utilization for the period July 2021 – June 2022 shows that from **176,254.99 Tons** of FFB processed, it can produce biofuel in the form of **8,813 Tons** of shells, **27,320 Tons** of fiber and

**2,980 Tons** of EFB, all of which are used for the combustion process in boilers or equivalent to **22%** of the total FFB processed.

Based on data analysis on the use of diesel fuel for FFB processing, information on the estimation of diesel fuel needed to generate electricity in the factory area is **793,834 liters/year** or **4.5 liters/ton FFB**. However, due to the efficient use of diesel fuel which is substituted with biofuel, it can reduce the use of diesel to only **16,518 liters/year** or equivalent to **0.09 liters/ton of FFB**. This shows that the use of biofuels can reduce the use of diesel by **99%** for the years 2021 - 2022.

The results of interviews with the company stated that this efficiency is very beneficial because it can reduce diesel consumption. Currently it is needed only to turn on the generator as the initial power plant. Energy efficiency is also applied to all of the company's operational activities by minimizing the use of fuel by contract workers, including all machinery and transportation operations. The total utilization of diesel for 2021 is **17,833 liters** where there is a reduction in the use of diesel from 2020 by **20,476 liters**, this shows that the company has succeeded in making energy efficiency by reducing fossil fuels using renewable energy sources. Currently, the company has not utilized methane gas to produce electricity.

**Status: Comply**

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

**7.10.1**  
The Certification Unit has carried out an inventory of GHGs contained in the 2022 Greenhouse Gas Emissions Mitigation Program document, based on document analysis, it can be concluded that the company has identified the source of GHG produced by the Inecda POM unit and its suppliers. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by the company covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation and machine maintenance, as well as periodic air quality tests. The company has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

Reduction of fossil fuels at Inecda POM has been carried out by using fiber and shells for fuel substitution. The company also uses POME to be applied to land with test results from the monitoring period July 2021 – June 2022 which show that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it was found that accurate data had been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January – December 2021 is as follows:

#### General Information

Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	2	153,638.4	7,898.24
Group Plantation	3	6,553.10	341.24
3rd Party	4	15,419.90	0.00
<b>Total</b>	<b>9.00</b>	<b>175,611.40</b>	<b>8,239.48</b>

#### Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	9.12	tCOe2/tProduct	Oil palm planted on mineral soil	3,067.50	Ha
PK	9.12	tCOe2/tProduct	Oil palm planted area on peat	5,171.98	Ha
PKO	0	tCOe2/tProduct	Total oil palm planted area	8,239.48	Ha
PKE	0	tCOe2/tProduct	Conservation area (Forested)	41.71	Ha
OER	20.96	%	Conservation area (non-Forested)	0.00	Ha
KER	4.44	%	FFB Production per hectare	21.31	t/ha

#### Mill Emissions and Credits & Emissions from Palm Kernel Crusher

**Mill Emissions and Credits**

**Emissions from Palm Kernel Crusher**

Emission Source and Credits	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	43,067.35	0.25	PK from own mill	0.00
Fuel Consumption	158.57	0.00	PK from other sources	0.00
Grid Electricity Utilization	268.70	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	-3,642.34	-0.02		
Sale of EFB	-547.70	0.00		
<b>Total</b>	<b>39,304.58</b>	<b>0.23</b>		

**Estate / Plantation Field Emissions and Sinks**

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	39,315.98	2,228.35	0.00	41,544.33
CO2 Emissions from Fertilizer	8,474.92	359.62	0.00	8,834.53
N2O Emissions from Peat	38,319.31	396.89	0.00	38,716.20
N2O Emissions from Fertilizer	8,098.48	292.41	0.00	8,390.88
Fuel Consumption	1,493.08	64.97	0.00	1,558.04
Peat Oxidation	279,495.22	2,894.86	0.00	282,390.08
Sinks				
Crop Sequestration	-59,364.25	-2,930.87	0.00	-62,295.12
Sequestration in Conservation Area	-382.48	0.00	0.00	-382.48
Total	315,450.24	3,306.23	48,572.69	367,329.16

**FFB Supplier**

Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)
Estate 1	78611.40	78611.40	100.00
Estate 2	75027.00	75027.00	100.00
Estate 1 Uncertified - 135	1461.55	1461.55	100.00
Estate 1 Uncertified - HPK	4060.45	4060.45	100.00
Estate 2 Uncertified - KRLA	1031.10	1031.10	100.00
Supplier NY	13582.35	13582.35	100.00
Supplier PSB	1380.87	1380.87	100.00
Supplier PMJS	242.95	242.95	100.00
Supplier PJS	213.73	213.73	100.00

**Palm Oli Mill Effluent Treatment**

Description	Unit	Value
POME Produced	t/yr	181,237
Diverted to Compost	%	0
Diverted to anaerobic digestion	%	100
POME to anaerobic pond	%	100
POME to methane capture (flaring)	%	0
POME to methane capture (electricity generation)	%	0
COD value before anaerobic digestion	mg/l	60,794
COD value after anaerobic digestion	mg/l	2,043.70
COD removed during digestion	tCOD/tPOME	0.06
POME Produce	t/yr	181,237
CH <sub>4</sub> (Total)	t/yr	1,935.61
Applied N in POME	t/yr	81.56
Total N <sub>2</sub> O emission from POME	tCO <sub>2</sub> e/yr	0.54



*\*POME is only processed in WWTP*

Based on the results of the above data analysis, it can be seen that the emission value from CPO and PK production is quite high at 9.12 tCO<sub>2</sub>/tProduct, this is because there are peat areas that have been planted with oil palm. Likewise, when compared with the emission values of the previous period, it shows that there is a decrease in CPO and PK emissions from 12.57 tCO<sub>2</sub>/tProduct to 9.12 tCO<sub>2</sub>/tProduct. The results of interviews with management stated that the emission reduction was due to a reduction in the scope of certification.

#### 7.10.2

The Certification Unit did not carry out new developments after 2014, but the company continues to manage GHG by conducting an inventory of emission sources. They can show identification documents of activities that generate emissions for the period 2021 for Mills and Plantations. This is done to estimate the carbon stock in the management area along with potential sources of emissions that can occur directly as a result of the management, and a plan to minimize these emissions is drawn up and implemented.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, performing maintenance on operational equipment on a regular basis, and utilizing POME in Land Applications. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizers according to the dose, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, implementation of efficient use of electricity and integrated pest control to minimize the use of pesticides.

#### 7.10.3

The certification unit has identified the source of pollution and the mitigation plan contained in the GHG Emission Source Inventory Form Document Number FRM-ISP-P023/01 and SOP for Greenhouse Gas Mitigation Number 023-SOP-ISP dated January 2, 2014. The company has also carried out management and monitoring related to the results of the identification and mitigation plan as evidenced through PT Inecda's RKL-RPL Report document and the Semester 1 Air Quality Management Report, 2022 which was reported to the Environmental Service of Indragiri Hulu Regency and Riau Province on 8 July 2022.

Based on the verification of the document, it shows that in the management of air pollution, the certification unit has tested air emissions on boilers and generators as well as ambient air. The test was carried out by a accredited laboratory (LP-024-IDN) on April 25, 2022. Based on the analysis of the value of the test results, it can be concluded that there is no value that is above the applicable quality standard, namely PermenLH Number 07 of 2007 for Boilers, PermenLH Number 13-year 2009 for Genset and PPRI No. 22 of 2021 for ambient air.

In addition, the company has also carried out management for interference from immovable sources. The test was carried out by a accredited laboratory (LP-024-IDN) on April 25, 2022. The tests carried out by the company included testing for odor, vibration, and noise in the work area and housing. Based on the results of document verification, it shows that all test results are in accordance with the quality standards set for each applicable statutory regulation, namely KepmenLH Number 48 of 1996 for noise, KepmenLH number 49 of 1996 for vibration, and KepmenLH Number 50 of 1996 for odors.

However, for the results of noise measurements, based on Permenakertrans Number 5 of 2018 for several FFB processing areas in the Mill and generator room area, it shows that they are above the required quality standard values. Under these conditions, to reduce the potential for harm to hearing, the company has prepared several control actions plans to reduce the impact on the health factors of operators working in the workplace. Efforts that have been made by the company include:

- Regular maintenance program for tools/machines to keep them awake.
- Arrangement of working time by means of job rotation so that the amount of noise exposure to workers can be controlled (should not be >8 hours/day for a noise level of 85 dBA).
- Preparation of HIRARC (Hazard Identification Risk Assessment & Risk Control) documents for all activities in the Factory and socializing it to all related employees
- Conduct periodic socialization and training of SOPs to related operators.
- Installation of "Noise Zone" warning boards and mandatory use of PPE.
- Regular checks and evaluations of the health of the workforce and the work environment at stations with a potential level of noise hazard.
- Examination of the use of PPE by safety officers related to the discipline of using PPE.



- Provide PPE in the form of earplugs and earmuffs and conduct audiometric health checks for factory employees.

The results of interviews with boiler and generator officers stated that there was never any hearing loss experienced by the informants or other factory workers, the company has also carried out routine health checks. The informant also explained that the obligation to use PPE in the form of earplugs and earmuffs in the work area is an obligation that must not be violated, warnings about the use of PPE and checking the completeness of PPE are also applied in the company.

<b>Status: Comply</b>
-----------------------

## 7.11

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

#### 7.11.1

The Inecda POM certification unit can show the SOP for Fire Prevention and Handling Number 025-SOP-ISP revision 1 dated March 15, 2022. The scope of the SOP includes planning, prevention, mitigation, post-fire management and reporting and coordination of firefighting and land preparation work, where the procedure is explained that land clearing is done by mechanical means and Zero Burning. The land clearing procedure is carried out by not burning but doing it mechanically.

The company also has a SOP for New Land Clearing and Replanting number 015-SOP-AGR dated May 5, 2014 which shows the work process on land preparation by not burning in land clearing activities. In addition, S&G Biofuel as the parent of PT Inecda also has a social and environmental policy which explains that the company will implement Zero Burning in all plantation development activities including preparation for new plantings, replanting, or other development activities.

Based on the results of field observations in the replanting area of Blocks J22, J23 and J24 with a planting year of 2021, it shows that there is no indication of land clearing by burning. Based on interviews with management, it was stated that all land clearing activities were mechanical. Based on an interview with the Environment Agency, it was also stated that the company has shown a commitment not to burn for land clearing through fire simulation activities involving various stakeholders and socialization to the community as evidenced by the minutes of the socialization activity conducted on January 18, 2022, which was attended by 46 participants.

#### 7.11.2

The company already has SOP for Fire Prevention and Handling Number 025-SOP-ISP revision 1 dated March 15, 2022. Based on the document review, it is known that the company's technical fire control has referred to the prevailing laws and regulations in Indonesia, including Law Number 18 of 2004, Law Number 32 of 2009, Minister of Environment and Forestry Regulation Number 32 of 2016 and Minister of Agriculture Number 5 of 2018. The fire control and prevention program has been included in the Monitoring of Firefighting Facilities and Infrastructure for the 2022 period, for example, monitoring APAR, monitoring firefighting equipment and fire simulation. The company has also managed, monitored, prevented and controlled land and forest fires, including the following:

- Establishment of a firefighting team equipped with the necessary equipment.
- Conducting firefighting exercises and increasing the frequency of fire patrols by involving the surrounding community, for example by conducting a simulation of an emergency and fire on 28 June 2022 which was attended by 124 participants.
- Monitoring and socialization of forest and land fire prevention carried out on January 18, 2022 in surrounding villages such as Tani Makmur Village, Sebatat Village, Sungai Limau Village, Petalongan Village, Sei Parit Village and Titian Resak Village.
- Provide firefighting equipment that refers to the Regulation of the Minister of Agriculture Number 05 of 2018.
- Routinely check firefighting equipment such as monthly APAR monitoring with the results of inspections at the location of fire extinguisher installations with powder, foam and CO2 types in gardens and factories in a ready-to-use condition.

The company can also show a list of facilities and infrastructure owned by referring to the standardization of equipment in Ministry of Agriculture 05 of 2018. The results of field observations at the Estate Fire Brigade Warehouse (Afdeling 6) show that all facilities and infrastructure are in good and well-maintained condition, firefighting simulation activities are also carried out. running well and the tools used can function optimally. The company already has complete facilities and infrastructure as shown in the Fire Extinguishing Equipment List document with the latest update in June 2022. Based on field observations and at several locations, the fire tower also shows that the company is managing these facilities and infrastructure well. The results of interviews with several employees also stated that the company had made efforts to prevent and control fires through the installation of signboards, socialization, and fire simulations by the firefighting team for each unit and as a whole involving relevant stakeholders and the surrounding community.

In addition, the company can also show several documents related to fire management that have been carried out, including:

- Map of fire prone areas including locations of fire towers, reservoirs and storage facilities and infrastructure.
- Prepare a Fire Monitoring Report document for the period of June 2022 which will be reported to the Plantation Service and the Environment Agency of Riau Province on July 8, 2022.
- Records of patrolling fire-prone areas for the period January – June 2022 with no fire results. The results of the examination of the document revealed that there were no fire incidents in the company's operational area since the last year.
- The company also reports management related to fires in the RKL-RPL document every semester.
- As an effort to prevent fires, the company can also show reports related to the installation of fire warnings, prohibitions on burning garbage and so on.

The results of the interview with the Plantation Office of Indragiri Hulu Regency also stated that the firefighting equipment owned by the company was sufficient for fire control. The company has a fire control system which is described in the Fire Management Report document which is reported every month. The provision of fire prevention infrastructure has referred to the Ministry of Agriculture Number 05 of 2018.

### 7.11.3

PT. Inecda also has a firefighting team structure which is part of the Emergency Management Team which is prepared as a responsive team to always be ready in any condition to handle fire emergency conditions, especially in the company unit area and help the surrounding community. Establishment of the structure of the firefighting team of PT. Inecda has been started since September 28, 2013 and has been changed several times due to employee changes and mutations. The latest Fire Fighting Team structure is based on the Renewal of the Ratification Decree which was approved on June 30, 2022 by the Director of Operations with a total of 144 members.

Based on document review, interviews with management units and workers accompanied by simulations of fire extinguishers, it can be seen that the company has Human Resources capable of preventing and dealing with fires. This is also supported by adequate equipment and routine activities in conducting emergency response team simulations. Emergency Response Team members are employees selected by the company and trained to participate in simulations who are expected to be able to handle emergency conditions, and master the role and security measures. The company has simulated an emergency and fire on June 28, 2022. For the period 2022 – 2023, the company can show a fire management budget for the maintenance of fire prevention facilities and infrastructure and part of it is allocated for the management of an external emergency response team consisting of 33 community members who cooperate with oil palm plantation companies in the vicinity so that they can be synergistic and responsive in fire management activities.

In fire management, the company monitors hotspots from the company area using fire towers and drones so that they can cover the surrounding villages. The company also routinely provides assistance and socialization in the prohibition of land burning activities to minimize the risk of greater fires that are carried out in conjunction with the management of SIA and HCV. Several approaches taken by the company in anticipating fire incidents include:

- Create several water bags consisting of 18 water reservoirs, of which 14 have followed the Ministry of Agriculture standard No. 5 of 2018 and the rest are in the process of adjustment, as well as other water reservoirs such as rorak, canals, and natural rivers.
- early or early monitoring is an activity carried out to obtain initial data in the form of hotspot data.
- Delivering information to all levels of management regarding the level of existing hazard. Information is conveyed through management meetings and memos from management. In the field, the status of the hazard level is informed through the Fire Danger Rating Information Board and the status is always updated following updated data from the BMKG or from the Riau Province Land and Forest Fire Fighting Task Force.
- Build 6 units of Fire Monitoring Tower which are positioned in strategic areas and allow to monitor all operational areas of the company. The fire monitoring towers are located in Afdeling 2, 3, 4, 10, and 11.
- In addition to using fire monitoring towers, PT. Inecda also monitors hotspots using drones. The results of monitoring hotspots carried out using drones in June 2022 showed the number 0 (zero) or no hotspots were found in the company's operational area.

<b>Status: Comply</b>
-----------------------

### 7.12

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values**

**(HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

#### 7.12.1 and 7.12.8

Based on management information and a review of the area statement, it was found that all land clearing for plantations was carried out after November 2005. The results of interviews with management indicate that land clearing began in 1994. The results of the document review also show that the HCV assessment was only carried out in 2012 with the final document on 2013 while planting activities between 2005-2021 are replanting activities. In this regard, the company can show a series of communications between the company and the RSPO which shows that on October 13, 2018 the company sent a Disclosure of Liability to the RSPO, and on October 18, 2018 the RSPO responded that "there is no non-compliant land clearance" and is considered clear for the RaCP indicator. Based on this information, it can be concluded that the RaCP procedure is not applicable to PT Inecda.

#### 7.12.2

Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company does not have an obligation to conduct a High Carbon Stock (HCS) study. The Company already has a Report on Identification and Analysis of the Presence of High Conservation Value (HCV) in the Permit Area of PT. Inecda, Indragiri Hulu Regency, Riau Province in collaboration with PT Sonokeling Akreditas Nusantara in 2013 and has been peer reviewed by Siti Badriyah Rushayanti. The methodology for identifying HCV areas refers to the Guide to Identification of High Conservation Value Areas in Indonesia (the Indonesian Consortium for the Revision of HCV Toolkit, 2008). In the document, a Map of High Conservation Value Areas with a scale of 1:80,000 is available. This activity is carried out for the scope of PT Inecda where there are 2 Estates in it. Based on this study, it is known that the HGU area of PT Inecda is **±9,443.386 Ha** with a total HCV area of **2,540.72 Ha** in the form of river borders, mixed gardens, reservoirs, sacred places, and peat areas.

In the development of its management, it turns out that there are some differences between the results of the HCV delineation carried out by previous assessors and the actual conditions in the field and there is a misinterpretation of the HCV area in the form of peat. These differences will affect the HCV management and monitoring activities that will be carried out by the company, including in terms of cost planning, surveys and evaluation activities. In addition, there is also a misinterpretation from outsiders, where the peat area identified must be managed as a protected area, namely by not planting, whereas when referring to the results of the verification of the HCV document, the recommendation for managing peat areas is water management. To avoid this issue and to ensure the scope of HCV management, PT Inecda took the initiative to carry out further verification to ensure the results of the HCV delineation carried out by the company internally. On 20 August 2018 the company identified an internal HCV area, namely the GIS department of agronomy. The identification results have been approved by the management unit in accordance with Decree No. 494/SUS/INC-PKU/VIII/2018, and signed by COO, CFO and CEO. Based on the results of the study, the HCV area was **99.75 Ha**.

However, on 19 February 2019 the company issued a letter explaining the change in HCV area with the number 097/SUS/INC-PKU/II/2019 which aims to redefine the HCV area again due to a misperception of the assessment team in 2018. The error occurred because of the Decree issued by Management regarding the determination of the width of the river border conservation area where management determined an area of **7.5 meters** from the river border for the HCV area that does not border the road, while for the river border area bordering the road, the designated HCV area which is 5 meters in accordance with PermenPUPR Number 28 of 2015. However, in the 2018 study, the company determined the river border area to be **11.5 meters** so that the HCV area is wider than the actual conditions in the field. In addition, the company also added an area of **1.50 Ha** which was not previously identified as an HCV area. To strengthen the justification for this, the company involved an HCV assessor on behalf of Kresno Dwi Santosa who is an ALS license assessor with number 15009KS. After a re-assessment and delineation in 2019, the HCV area changed again from **99.75 Ha** to **41.71 Ha**. The following is a conservation area at PT. Inecda for the scope of certification, among others:

HCV Location	Area (ha) 2013	Area (ha) 2018	Area (ha) 2019	HCV Type
<b>Riparian River</b>				
Tani Makmur Riparian River	43.73	12.15	4.68	4.1
Siri Riparian River	37.18	16.36	6.39	4.1
Buluh Riparian River	96.45	14.19	5.19	1.3; 1.4; 2.3; 4.1; 5
Air Hitam PKS Riparian River	45.23	11.61	4.41	4.1
Air Hitam Belilas Riparian River	63.33	15.74	6.44	4.1
Talang Perigi Riparian River	27.92	9.67	4	4.1
Parit Riparian River	84.44	15.69	4.99	1.3; 1.4; 2.3; 4.1

<b>Forest</b>				
Mixed Forest	105.98	0	0	1.3; 1.4; 2.3
<b>Sil pit</b>				
Sil pit Blok F1	3.47	3.88	3.65	1.4; 2.3; 4.1
<b>Reservoir</b>				
Reservoir Mill	2.67	0.46	0.46	4.1
Swamp area Block F4	0	0	1.50	1.3; 1.4; 2.3; 4.1
<b>Peatland area</b>				
Peat (>3 m)	2,030.28	0	0	4.1
<b>Sacred area</b>				
Petilasan Datuk Darah Putih	0.03	0	0	6
<b>Total</b>	<b>2,540.72</b>	<b>99.75</b>	<b>41.71</b>	<b>1.3; 1.4; 2.3; 4.1; 5; 6</b>

Based on the data above, it can be concluded that the company already has the results of identification of protected areas and high conservation value areas with a total area of **41.71 Ha** when the ASA-3 audit was conducted. This has also been legalized by the company with evidence of a Decree from the COO dated February 25, 2019 Number 012/SUS/INC-PKU/II/2019 regarding the area of PT Inecda which has been identified as an HCV area of **41.71 Ha**. Regarding the loss of HCV areas in the form of forests and sacred areas, the company explained that the area has now been removed from the Land permit (HGU) area on December 8, 2020 (final document) because it is a community occupation area. However, the company continues to maintain and monitor flora & fauna in the area because it is directly adjacent to the company area.

### 7.12.3

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

### 7.12.4

Based on the results of HCV identification, it is known that there is an HCV area within the scope of the certification unit covering an area of 41.71 Ha which is HCV 1, 2 and 4 and several types of RTE species consisting of Mammals, Aves and Herpetofauna identified as HCV 1.2. The Company has also prepared an integrated management plan which was developed in consultation with relevant stakeholders and covers the areas that are managed directly and taking into account the relevant wider landscape level contained in the Long-Term Plan for Management of HCV Areas for the period 2022 – 2026. In addition to the management plan 5 years, the company also has a management plan prepared every year which aims to update management and monitoring needs. The company has compiled and determined the HCV management plan in the 2022 HCV Management Activity Plan Form document with the management scope and targets every month with several programs owned, including:

- Socialization on the Management of HCV Areas and Management of Critically Endangered, Threatened, and/or Protected Species which is conducted every month.
- Monitoring of hardwood tree nurseries, tree insertion, and provision of border stakes which is conducted once a year.
- Maintenance of HCV attributes by maintaining signboards, river border markers and carrying out monitoring and maintenance of information boards that are carried out every month.
- Monitoring of HCVs by conducting monthly surveys for flora and fauna inventory.
- Maintenance of reservoir areas, reservoirs and sacred areas which is carried out every 3 months.

The implementation of HCV management and monitoring for 2022 is carried out in accordance with the 2022 HCV Management Plan where the timing and intensity of implementation are also appropriate, which can be demonstrated based on the following documents:

- Socialization of the HCV area to Mill employees on January 26, 2022, which was attended by 21 people.
- Socialization of the HCV area to maintenance employees on January 21, 2022, which was attended by 15 people.
- Socialization of the HCV area to prospective Contract Workers and harvesters on April 8, 2022 with a total of 39 people.
- Socialization of the HCV area to contractors on 16 May 2022 with a total of 7 people and on 4 June 2022 with a total of 72 people.
- Socialization of the HCV area to the Sibabat Village community on February 24, 2022 with a total of 12 people and on June 1, 2022 with a total of 11 people.
- HCV Patrol Report for 2022 period, for example patrols conducted on 14 June 2022 to ensure Signboard and condition of HCV areas.
- Minutes of the planting of wood plants shown from January - June 2022.



The company also has a map of the HCV area and topography with a scale of 1:80,000, the map is also equipped with information about: map title, cardinal directions, map legend, map update date, and map source. The company also conducts a review related to management and monitoring activities in 2021 as evidenced in the 2021 HCV Management Plan Review Report which contains evaluation and management and monitoring recommendations as an effort to improve HCV management activities in 2022.

#### **7.12.5**

The company has identified the needs of the community as well as the areas needed by the affected community to meet their basic needs, taking into account the potential for positive and negative changes in their livelihoods as a result of the company's operational activities. This can be proven by the additional HCV area in the form of swamp in block F4 covering an area of 1.50 Ha because this area is an area that according to customary beliefs is usually used as a place for rituals. In addition, the company has also removed HCV areas in the form of mixed forest and sacred areas from the Land Permit (HGU) because these locations belong to the community and do not want to be under company management. However, in actual fact, the company is currently collaborating with the land owner to monitor and install the HCV signboard because the community and company's goals are considered to be in line, namely to protect the area. This can be proven based on the following documents:

- Letter Number INC/V/2021 dated 27 May 2021 regarding the application for the installation of mixed garden signboards and monitoring of mixed gardens to land owners (Subadri). The letter has been agreed upon by the land owner.
- Letter Number INC/V/2021 dated May 27, 2021 regarding requests to carry out maintenance activities for the sacred area (Petilasan Datuk Darah Putih), grave monitoring, signboard installation and signboard maintenance. The letter has been agreed upon by the land owner.

The company has identified and carried out activities to minimize risks and impacts both for the community and for the environment, for example by providing regular socialization to the community and workers not to apply chemicals in the canal area to avoid pollution, not to clear land by burning, and so on. The company has also considered various land tenure and management options to protect HCV areas in a way that also protects the rights and livelihoods of local communities. Since the area managed by the company is entirely already planted with oil palm which is not directly adjacent to the settlement, the level of potential conflict between the HCV area and the community is quite low.

The results of field observations in the area that was previously HCV 6 in the form of a sacred site where cultural rights and important places for the surrounding community have been identified in the company area. The company's environmental conditions both within the scope and in the community, area is almost entirely planted areas of plantation plants. Currently, the company also has an agreement with the community who are members of the Fire Alert Community, for example for monitoring and patrolling activities, the company has also made an agreement with the community who are active in the company's area not to hunt and trade wildlife. The company has also approached relevant stakeholders, including:

- Submit a list of protected species found in the BKSDA area.
- Provide executive summary to relevant parties such as the Environment Service, Agriculture Service, and Sumatra Ecoregion.
- Socialization on HCV is conducted periodically to find out the extent of community understanding of the existence of HCVs in the PT Inecda area.
- Make an agreement with the surrounding village to maintain the HCV area in the plantation area.

Regarding local culture, the company has tried to apply conservation principles without contradicting the hunting culture of the Talang Mamak community. Hunting activities are the daily activities of local people, it cannot be eliminated by various forms of socialization that have been carried out by the company. Based on the results of interviews with the company, it is stated that currently the hunting culture has begun to decrease due to the current condition of land cover, most of which have been turned into oil palm plantations and the level of public awareness has increased because they are aware of the criminal law related to hunting activities.

#### **7.12.6**

The company already has a Policy on the Prohibition of Hunting for Protected Animals and Critically Endangered Species which was passed by the Senior Manager on 19 October 2019 which explains that the prohibition of illegal hunting, trapping, and poisoning of fish in the PT Inecda area. If there is a violation of the prohibition, a fine and criminal will be imposed in accordance with Law Number 5 of 1990. In the document of Decision Letter Number 494/SUS/INC-PKU/VIII/2018 concerning the Designation of HCV Areas, it is explained in the decree to protect RTE Species, namely warnings to employees and stakeholders not to touch, care for, injure and kill protected animals, if there is a violation will be subject to sanctions in accordance with applicable regulations. Some of the



protective measures that have been taken by the company are as follows:

- Conduct continuous socialization and training activities on the protection of rare and endangered wild animals and their habitats to employees of contractor companies as well as to the community and other relevant stakeholders around the company.
- The company investigates every violation case and provides strict disciplinary sanctions to company employees who commit acts of hunting, keeping, injuring, harming and killing endangered and endangered wildlife.
- For the management of rare and endangered wildlife both inside and around its concession area, the company will cooperate with government agencies or other competent related institutions.
- The company is committed to evaluating and reporting on the company's performance based on this policy on a regular and open basis through the annual Monitoring and Management Report of HCV areas and continuously involving key stakeholders in the palm oil industry.
- Make a collective agreement regarding the No Hunting Policy involving the community around the company which was made on 28 June 2022 and has been agreed upon by 6 villages around the company.

Information related to the application of sanctions for employees in the form of disciplinary action in accordance with the provisions of national law is also listed on the HCV signboard which explains that "anyone who violates will be reported to the authorities with the threat of criminal and fines". The sanction is imposed by the company by giving the first warning letter to employees who violate work rules. Based on the results of interviews with company employees regarding animal protection, the company has committed to protecting animals that are within the scope of the company's management area, such as implementing a ban on hunting, killing and keeping wild animals within the company's environment. The procedure for animal protection also regulates the existence of sanctions or fines for those who violate these provisions.

In addition, the company has also carried out socialization about the existence of endangered plants and animals to employees and the surrounding community which is shown in the official report of the socialization as evidenced by the official report which is accompanied by photos and attendance list as described in indicator 7.12.4. Indirect socialization is also carried out by installing information boards and warning signboard brochures related to conservation areas and the presence of endangered protected plants and animals in easily visible places, such as area entrances, regional roads that are often crossed by the community, and other strategic places. such as offices, and other public facilities. The results of interviews and field observations in all employee housing estates also show that there is no indication of hunting or capturing wildlife.

The company can also show a report document of a tiger encounter on September 14, 2020 by harvesting workers where 3 tigers (*Panthera Tigris*) were found. Field verification was carried out by the company to confirm the existence of the tiger, but its whereabouts were nowhere to be found. To follow up on this matter, on September 18, 2020, the company sent a letter to BKSDA to immediately deal with the matter. On the same day, the BKSDA immediately went to the field to install camera traps as a means of monitoring the presence of tigers. In addition, there was also a case of encounters with Tapirs (*Tapirus Indicus*) on August 19, 2019, the company sent evidence that there were encounters with Tapirs in the management area. Evacuation could not be carried out because the tapir was gone and could not be found again.

#### 7.12.7

Monitoring of the HCV area in the 2022 period is carried out regularly every month to ensure the security of the area. Monitoring activities are carried out in several river border locations and all areas of the company's management. This monitoring is carried out to see the progress of HCV management results from the initial stage to the current condition. The company also monitors the diversity of flora and fauna which is routinely carried out every month by showing the HCV Monitoring Form Document Number FRM-SP-P021/04 which was carried out in June 2022. The results of observing fauna in the plantation area still found several protected species that enter the forest. under protection status according to IUCN, CITES and PermenLHK Number 106 of 2018 include Simpai Monkey (*Presbytis melalophos*), Long Tailed Monkey (*Macaca fascicularis*), Pangolin (*Manis Javanica*), Monitor Lizard (*Varanus salvator*), Cobra Snake (*Naja sumatrana*), Crocodile (*Tomistoma schlegelii*), Python reticulatus (*Python reticulatus*), Nepenthes (*Nepenthes gracilis*), Heron egret (*Ciconiidae*), Brontok Eagle (*Spizaetus cirrhatus*), Rat eagle (*Elanus caeruleus*) and Kingfisher (*Halcyon smimensis*). Based on the results of field observations in several HCV areas, direct encounters of some of these species have also been found, such as the Simpai Monkey (*Presbytis melalophos*), Long-tailed Monkey (*Macaca fascicularis*), monitor lizard (*Varanus salvator*), heron egret (*Ciconiidae*), Kingfisher (*Halcyon smimensis*) and Nepenthes (*Nepenthes gracilis*).

The company also conducts annual monitoring and evaluation for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts. The company also follows up on the improvement of the HCV

area management plan which is made every 5 years by involving all relevant stakeholders in the company's operational areas such as the surrounding community, especially the surrounding community and law enforcement. The company also conducts a review related to management and monitoring activities in 2021 as evidenced in the 2021 HCV Management Plan Review Report which contains evaluation and management and monitoring recommendations as an effort to improve HCV management activities in 2022. Based on the results of the review, several management recommendations were obtained, including:

- Increase socialization activities for staff, plantation employees and the community around the plantation to increase the level of understanding of HCV, especially for employees and staff.
- Conduct various action plans for corrective actions based on management and monitoring recommendations that have been carried out.
- Improved the writing on faded HCV area markers and put-up signboards for animal monitoring paths in areas that have been designated as monitoring paths in each Estate.

All evaluation results will be reviewed and will be adjusted to the HCV management program in the 2022 period. The evaluation results also show an increase in species encounters. In addition, the management and monitoring of HCVs has been carried out in a participatory manner, namely by involving the community around the plantation, one of which is an agreement with the community to jointly protect the HCV area. If we refer to the 2021 HCV Management Program, 2021 HCV Management Report, 2021 HCV Management Review and actual conditions in the field, it can be concluded that the company has managed well as stated in the document. Vegetation conditions in the HCV area are also dense and without any indication of chemical application.

However, based on the results of field observations in the replanting area for the 2022 planting year in blocks J23/J24 and K25/J26, it was found that nets were used to control *Oryctes* (horn beetles). This has the potential to be a threat to wildlife species, especially bird species. The results of field observations in several locations also showed that there were still many species of Kingfisher (*Halcyon smyrnensis*) that had the potential to be entangled by these nets. Based on this, the company has the opportunity to identify potential risks to wildlife from netting activities, as well as determine a management plan that can mitigate the emergence of identified risks. **OFl.**

**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 has logo license under S&G BIOFUEL PTE. LTD No. 1-0238-17-100-00	✓
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
<b>ASA-3</b>	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use. S&G BIOFUEL PTE. LTD Trademark License Number 1-0238-17-100-00	✓
	<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>	Implementation of Certificate and Logo is not used on product. S&G BIOFUEL PTE. LTD Trademark License Number 1-0238-17-100-00	✓
	<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>	S&G BIOFUEL PTE. LTD Trademark License Number 1-0238-17-100-00. Controlling of Certificate and Logo, including withdrawing inappropriate logo.	✓
	<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 5.5.3. 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 is no significant land conflicts which have not been declared above
- The company has follow 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

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	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>
2.2.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12	<p><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>
2.2.3	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 after 2010.</p>
2.2.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><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>

2.2.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2	<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>
2.2.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1	<p><b>Company statement:</b></p> <ul style="list-style-type: none"> <li>• PT Inecda is still on progress to obtain HGU for an areal 135.65 Ha.</li> <li>• PT Gandaerah is still on progress to obtain HGU for an areal 765.80 Ha (538.17 Ha and 227.63 Ha).</li> </ul> <p><b>Auditor verification :</b> PT Inecda has compensate the land on 2015 and now on process to obtain the HGU.</p> <p>PT Gandaerah on progress to obtain HGU for an areal 765.80 Ha (538.17 Ha and 227.63 Ha).</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 - 2 Assessment

NCR No.	: 2021.01	Issued by	: Yudhi Yuniarto
Date Issued	: 28 May 2021	Time Limit	: 26 August 2021
NC Grade	: Critical	Date of Closing	: 12 August 2021
Standard Ref. & Requirement	2.1.1 The unit of certification complies to relevant regulations		
Evidence observed (filled by auditor): Operator of Power and Production Equipment and Electrical OHS Expert			
1. Based on field observations in the engine room known that the certification unit has turbine engines and generator sets with the following capacities: 1. Turbine : 1000 kW / 1250 kVA / 1340.4825 HP 2. Generator Set : 440 kVA / 471,849 HP 3. Generator Set : 250 kVA / 268,096 HP			
2. The certification unit shows the following machine licensing documents: a. Steam Turbine Installation/Use Permit from the Manpower Office of Indragiri Hulu Regency with the number: 02/TB-MEK/DSTKT.04/2015. In the document it is explained that the power of the steam turbine is 1,000 kW. b. Validation of the use of Diesel Motor with the number: 01/MD-MEK/DSTKT.04/2015. In the document it is explained that the diesel motor power is 440 kVA. c. License for Installation from the Manpower Office of Riau Province with the number: 560/DISNAKERTRANS/II/2018/982. In the document it is explained that the diesel motor power is 250 kVA. d. License for Installation/Use of Diesel Motor from the Manpower Office of Riau Province with the number: 560/DISNAKERTRANS/II/2018/982. In the document it is explained that the diesel motor power is 250 kVA.			
3. Permenaker No. 38 of 2016 in Articles 110, 111 and Table E it is explained that for a prime mover engine with a power > 214.47 HP, one person must have a class I and class II power and production operator each.			
4. Permenaker No. 12 of 2015 in Article 7 it is explained that for companies that have power plants of more than 200 kVA, they are required to have Electrical OHS Experts.			
5. The certification unit shows the 2021 Mill Operator license list document where the certification unit has 2 operators of diesel engines with a validity period of 29 April 2024. However, the certification unit does not yet have a licensed for turbine engine types and electrical OHS expert.			
Non-Conformance Description (filled by auditor): Based on this evidence, it is known that the certification unit does not yet have a licensed for turbine operator and electrical OHS expert in accordance with applicable legal obligations			
Root Cause Analysis (filled by organization audited): The certification unit has not yet fully identified and evaluated the laws and regulations related to OHS, especially those relating to the fulfillment of the obligation to implement competency training and ownership of licenses for operators at several work stations. For example, training and licenses for operators working on power planes and production of turbine engine types, as well as training and licenses for Electrical K3 Experts for workers related to electrical work or those working in power plants with a capacity of more than 200 kVA.			
Correction (filled by organization audited): 1. Re-evaluate the OSH laws and regulations, and make plans for their fulfillment. 2. Revise the TNA / analysis of training needs, by adding training for power & production aircraft operators for turbine engine types and training for Electrical OHS Experts for workers related to electrical work / those working in the power plant section.			

3. Cooperate with providers/PJK3 for the implementation of training and licensing of power & production aircraft operators for turbine engine types and training for OHS Experts in the Electrical Sector.

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

1. Routinely/periodically evaluate the laws and regulations.
2. Routinely/periodically conduct an analysis of training needs in each Section/Department.
3. Monitoring the license validity period of all operators or workers in the mill and estate.

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

**Verification 10 August 2021**

The certification unit shows evidence of improvement as follows:

1. List of OHS rules and regulations in 2021. In the compliance evaluation section, a training plan for Turbine Operators and Electric OHS Experts has been added.
2. Letter from Inecda's Mill Manager to the Learning Center Manager dated August 5, 2021 regarding training requests for Electrical OHS Expert (1 person), Class I Turbine Operator (2 people) and Class II Turbine Operator (2 people).
3. Letter from PT Berkarya Jaya Inspeksi dated July 21, 2021 regarding the offer of education and training for OHS certification and licenses from the Indonesian Ministry of Manpower
4. Submission of training through the Training Request Form for Electrical OHS Experts (1 person), Class I Turbine Operators (2 people) and Class II Turbine Operators (2 people) dated August 5, 2021 to PT Berkarya Jaya Inspection.
5. Internal Memo from Legal Department with No. 022/GH/OPR-GNI/VIII/2021 dated 6 August 2021 regarding External Training for Turbine Operators Employed of PT Inecda which has been approved by the COO and CFO. However, in the internal memo there is no name of the employee who was proposed to take part in the Electrical OHS Expert training.

**Verification 12 August 2021**

The certification unit shows the Internal Memo from the Legal Department with No. 024/INC/OPR-GNI/VIII/2021 dated August 10, 2021 regarding the External Training for Electrician of PT Inecda which has been approved by the COO and CFO.

Based on the foregoing, the discrepancy is declared to be fulfilled with the observation notes in the next assessment.

**Verified by** : **Yudhi Yuniarto**

NCR No.	: 2021.02	Issued by	: Yudhi Yuniarto
Date Issued	: 28 May 2021	Time Limit	: 26 August 2021
NC Grade	: Critical	Date of Closing	: 10 August 2021
Standard Ref. & Requirement	: 3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor):			
1. OSH Hazard and Risk Identification Document for estate with document number FRM-ISP-P001/02 which was approved on 16 February 2021. The document includes identification of hazards and potential risks for estate operational activities starting from land clearing to workshop.			
2. OHS Hazard and Risk Identification Document for mill with document number FRM-ISP-P001/02 which was ratified on March 20, 2021. The document includes identification of hazards and potential risks for mill operational activities starting from office activities to evacuation of conditions emergency.			
3. Based on field observations in the estate area show that there are still activities/conditions that have not identified potential hazards and risks, including but not limited to:			
a. Antigonon fence using barbed wire (Estate 1 and 2).			
b. Barbed fence in the immature area (Estate 1 and 2).			

- c. Harvest on extra high voltage (Estate 1) overhead lines.
- d. Install the Oryctes net.
- e. Storage of work tools (*dodos*) in employee housing.
- f. Owl monitoring (*Tyto alba*).
- g. Stand on the side of the tractor while loading the FFB.
- h. Unclosed rotating machine.

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

The certification unit has not been able to show sufficient evidence that the document identification of the source of danger and risk control owned by the company has accommodated all activities/conditions that are a source of danger in the plantation and factory areas.

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

In the preparation of the OHS Hazard and Risk Identification Document, the entire Division/Department in the estate or mill has not been involved, so that not all potential hazards and risks in the estate & mill Unit have been identified and entered into a risk assessment.

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

1. Each Section/Department together with HSE (Company OHS Expert) undertakes the preparation of identification of risks and hazards in their respective workplaces.
2. Revise the HIRADC Document, jointly carry out a risk and hazard assessment for all activities/conditions that are a source of danger by involving all Sections or Departments in the estate and mill.
3. Dissemination of the revised HIRADC Document to employees/workers in each estate/mill Unit.

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

Each Head of Section/Department is obliged to convey to the estate and mill Management and also to HSE (Company OHS Expert) if in their workplace there are activities/conditions that could be a source of danger. And for further identification and assessment of hazard risks on the sources of these hazards.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 29 July 2021**

The certification unit shows evidence of improvement as follows:

1. Minutes of meeting, documentation, and attendance list for the HIRADC revision meeting on 4 June 2021 (plantation) and 21 July 2021 (factory).
2. Revised HIRADC document for plantation and mill units

But unit certification not yet provide training evidence to relevant parties. Non-conformity is still open.

**Verification 10 August 2021**

The certification unit shows evidence of improvement consist of HIRADC socialization which was held on August 5-7, 2021 to employees in each afdeling. The company can show documentation and attendance list for the event.

Based on the foregoing, the discrepancy is declared to be fulfilled with the observation notes in the next assessment.

**Verified by** : **Yudhi Yuniarto**

<b>NCR No.</b>	<b>:</b>	<b>2021.03</b>	<b>Issued by</b>	<b>:</b>	<b>Afiffudin</b>
<b>Date Issued</b>	<b>:</b>	<b>28 May 2021</b>	<b>Time Limit</b>	<b>:</b>	<b>26 August 2021</b>

NC Grade	:	Critical	Date of Closing	:	05 August 2021
Standard Ref. & Requirement	:	4.1.1 A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRDs), prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. This policy is documented and communicated to all levels of the workforce, operations, supply chain and local communities.			
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>The company has a Human Rights Policy of PT Gandaerah Hendana and PT Inecda, which was signed by the Director of Operations on 17 February 2020.</li><li>The company has shown evidence of socialization to the worker, including through new employee orientation activities.</li><li>Interview results with contractor CV Murah Rizki revealed that the contractor had not received any socialization on human rights policies.</li><li>The company has not been able to show documentary evidence of the socialization of the Human Rights Policy to the supply chain (contractors, suppliers, etc.) and the local community.</li></ul>					
Non-Conformance Description (filled by auditor): <p>Based on the explanation above, there is no evidence that the policy to respect human rights has been communicated to the supply chain and local communities.</p>					
Root Cause Analysis (filled by organization audited): <p>The Company PICs (HSE Team, HRD and Public Relations) who are responsible for implementing policy socialization do not yet know that policies related to Human Rights, apart from being socialized to internal companies, are also required to be conveyed or disseminated to stakeholders or the company's supply chain.</p>					
Correction (filled by organization audited): <ol style="list-style-type: none"><li>Updating the Company's Supply Chain List (suppliers, contractors and communities around the company)</li><li>Create a work plan for the socialization of the Company's human rights policy to the supply chain and local communities</li><li>Socializing the Human Rights Policy to the entire supply chain of the company, such as; suppliers, contractors and the community around the company. Socialization is carried out by various methods, including; directly socialization or through electronic media such as email and other electronic messages.</li><li>The company will soon send an updated Company Supply Chain List</li><li>Company Policy Management Mechanism</li></ol>					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"><li>The company will update the Company's Supply Chain List periodically and convey or disseminate the policies that exist in the company.</li><li>The Central SOP Department conveys information/socialization to all Departments/Sections related to Corporate Policy Socialization Activities and Supply Chain List Updates, the mechanism of which is as follows:<ul style="list-style-type: none"><li>Each Head of Department/Section to always convey information to the SPO team of Mill/ Estate if there are additions or changes to the supply chain in their respective Departments.</li><li>The SPO team of Mill/ Estate updates the Supply Chain List according to the information obtained, and in addition to monitoring and requesting updated supply chain data from each Department every 6 (six) months.</li><li>Each Department conveys or disseminates Company Policies to the entire supply chain or stakeholders under the scope of its department.</li><li>After conducting the socialization, each Department sends a recording of the proof of socialization to the SPO team of Mill/ Estate for archives.</li><li>Company policies and other company-related information can be accessed via the link <a href="http://www.gandaerah.com">http://www.gandaerah.com</a></li><li>Due to the current Covid-19 pandemic, socialization can be done online/virtually or using email and other media to mitigate the spread of the corona virus.</li></ul></li></ul>					
Assessor Evaluation and Conclusion (filled by auditor):					

**Verification 28 July 2021**

The company shows evidence of improvement as follows:

1. Human Rights Policy Socialization Plan to Inecda POM Supply Chain/ Stakeholders in June – August 2021.
2. Socialization of Human Rights Policy, on 9 June 2021, in Afdeling IX and X which was attended by 131 participants.
3. Minutes of Socialization on Company Policy of PT Inecda, dated June 12, 2021 in the estate meeting room, covering Human Rights Policy, Code of Ethics, Prohibition of Employment of Minors and Protection of Morality and Sexual Harassment, which was attended by 2 contractors namely CV M. Rizki and CV. Dian Sejahtera
4. Minutes of Socialization on PT Inecda's Human Rights Policy, dated June 22, 2021 at the Tani Makmur Village Meeting Building, which was attended by 27 participants.
5. Minutes of Socialization of Human Rights to the Supply Chain (SPSI of the Inecda POM), dated June 24, 2021.
6. Minutes of Socialization of Human Rights to the Supply Chain (Warung Usaha Mandiri), June 15, 2021.
7. Minutes of Socialization of Human Rights to Supply Chains (Nila Stores, Sumber Cahaya Stores, Al Hidayah Stores and Prima Travel), dated June 3, 2021.
8. Minutes of Socialization of Human Rights to Supply Chains (Toko Titia Mas, Refill Depot), dated June 8, 2021.
9. Minutes of Socialization of Human Rights to Supply Chains (CV. Intel Computer Stores and Diesel Duta Stores), dated June 15, 2021.
10. Minutes of Socialization of Human Rights to Residents of Housing Mill, dated June 16, 2021, which was attended by 21 participants.
11. Socialization via email to PT Mitra Jaya Pertiwi (Contractor) and PT Sucofndo (Contractor) on July 28, 2021.
12. Socialization via email to PK CPO Transport Contractors (Cahaya Timur Sarana Mandiri, Liliانا Jaya Sejati, Mestika Jaya, Mitra Sarana Sejahtera, Shaqia Artha Jaya, Sumatera Sarana Sekar Sakti, Wijaya Manggala Premier Lestari) and Trading (Apical Group, Permata Hijau Group, PT SMART, PT Wilmar Nabati Indonesia, PT Multimas Nabati Asahan) on 26 July 2021.

But company not yet provide the update of list stakeholder and Company Policy Management Mechanism. Based on the evidence, Non-conformity No. 2021.04 is open.

**Verification 5 August 2021**

The company shows evidence of improvement as follows:

1. List of Stakeholders of PT Inecda for estate and mill, updated April 30, 2021, which describes government agencies, village and sub-district officials, community leaders/ traditional leaders/ religious leaders, occupant in HGU & land owners, NGO/ Press, labor unions, academics, suppliers, goods/service contractors and buyers.
2. Company Policy Management Mechanism, which among other things explains that the designated person in charge is the head of each department/section and every 6 months updates the supply chain list and conveys socialization, then reports to the Estate/ Mill SPO Team. Company policies and other information related to the company can be accessed at the link <http://www.gandaerah.com>. The socialization of the mechanism to the person in charge was carried out via email due to the Covid-19 pandemic on August 2, 2021.

Root cause analysis, evidence of corrective action and preventive actions have been accepted.

Then the Non-conformity in this indicator is declared closed and will be observed again in the next assessment.

**Verified by** : **Afiffudin**

<b>NCR No.</b>	<b>: 2021.04</b>	<b>Issued by</b>	<b>: Afiffudin</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: ASA-3</b>
<b>NC Grade</b>	<b>: Non-Critical</b>	<b>Date of Closing</b>	<b>: 19 August 2021</b>



<b>Standard Ref. &amp; Requirement</b>	<b>4.2.2</b> <b>Procedures are in place to ensure the system is understood by affected parties, including by illiterate parties.</b>
<b>Evidence observed (filled by auditor):</b>	
<ul style="list-style-type: none"> <li>The company has a Complaints Procedure for External Parties, document number 005-SOP-LGL, effective 1 September 2020, but does not include procedures to ensure that the system is understood by affected parties, including those who cannot read and write.</li> <li>Based on the results of interviews with management, it is known that there is no procedure in place to ensure that the system is understood by affected parties, including those who cannot read and write.</li> </ul>	
<b>Non-Conformance Description (filled by auditor):</b>	
Based on the explanation above, there is no evidence that there is a procedure in place to ensure that the system is understood by affected parties, including those who cannot read and write.	
<b>Root Cause Analysis (filled by organization audited):</b>	
In the preparation of Procedure No. 005 – SOP – LGL on Complaints from External Parties, still does not refer to the latest RSPO principles and criteria as a whole.	
<b>Correction (filled by organization audited):</b>	
Reviewing Procedure No. 005 – SOP – LGL on Complaints from External Parties and make revisions so that the procedure can be known and the system can be understood by affected parties, including those who cannot read and write through an oral delivery system either directly to the affected party or through a designated representative by affected parties.	
<b>Corrective Action (filled by organization audited):</b>	
Inform all Users/ Document Owners so that in the future in compiling or revising Documents (Manuals, SOPs, IK, Forms) always refer to the laws and regulations, applicable standards and also refer to existing policies in the Company.	
For document management and monitoring mechanisms, the following are applied:	
<ul style="list-style-type: none"> <li>The team related to the preparation of the list of laws and other standards (OHS Team, Environment, Labor, Legal, Agronomy) submits to the DC (Document Controller) if there are new Laws and Regulations or new Standards related to the operations of factories and plantations.</li> <li>DC forwards the information received to the Document Owner (User) related to the new Rules/ Standards and informs the Document Owners to review and synchronize the new Rules/ Standards with existing Documents.</li> <li>If the contents of the Document are deemed irrelevant and need to be updated, the Document Owner will then form a Document Compilation Team and revise it by referring to the new Rules/ Standards.</li> <li>The Document Owner then makes a request for document creation or revision and sends it to DC, and sends the revised document for review of the document content, document template and editorial.</li> <li>After a joint review by all Sections/ Departments related to the document made/ revised, the final document is approved and sent back to DC for registration and distribution.</li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>	
<b>Verification 26 July 2021</b>	
Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.	
<b>Verification 05 August 2021</b>	
Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.	
<b>Verification 19 August 2021</b>	
The company shows evidence of improvement as follows:	
1. Procedure for Complaints from External Parties, document number 005-SOP-LGL, No. Revision 01 (30 June 2021), effective date 1 September 2020, which among others explains there are 3 points of document changes that discuss:	
<ul style="list-style-type: none"> <li>Additional responsibilities for the Public Relations section, such as socializing the complaint resolution mechanism contained</li> </ul>	

in the procedure to external parties related to the company and informing about the progress or progress of complaints submitted by affected parties.

- Socialization to affected parties, including those who cannot read and write through an oral delivery system, either directly to the affected parties or through representatives appointed by the affected parties.
2. Socialization to all users/ document owners so that in the future in compiling or revising Documents (Manual, SOP, IK, Form) always refer to the laws and regulations, applicable standards and also refer to existing policies in the Company, which is carried out by email on August 4, 2021.
  3. Minutes of Socialization of SOP Complaint Procedures for External Parties, dated August 5, 2021 to FFB suppliers.
  4. Minutes of Socialization of SOP Complaint Procedures for External Parties, dated August 10, 2021 to Dusun II Sibabat Village.
  5. Minutes of Socialization of the SOP for External Party Complaints Procedure, dated August 3, 2021 to external stakeholders from Bukit Petaling Village, Sibabat, Tititan Resak, Kamiri River, Pasir Bongkal and others.

Based on the root cause analysis submitted, the evidence of improvement shown and the preventive actions that have been taken, the non-conformity in this indicator is closed.

**Verified by** : **Afiffuddin**

<b>NCR No.</b>	<b>: 2021.05</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 28 May 2021</b>	<b>Time Limit</b>	<b>: 26 August 2021</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: 31 July 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.4.1</b> <b>Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.</b>		

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

From the results of the document review and field observations, the following evidences were found:

- HGU Certificate Number 1 of 1992 dated April 1, 1992 with an area of 6,357,4568 Ha has expired on December 31, 2020.
- Then there is the Decree of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No: 29/HGU/KEM-ATR/BPN/IV/2021 dated April 29, 2021 concerning Extension of the Term of Cultivation Rights on behalf of PT Inecda in Indragiri Hulu Regency, Riau Province which decided to grant PT Inecda an extension of the period of HGU over a total land area of **5,743.3420 Ha**. This area is reduced by 579,1125 Ha from the cadastral re-measurement area of the previous HGU which has expired on December 31, 2020 with the following details:
  - a) An area of 90.7676 ha for the area controlled by the community
  - b) An area of 217,4280 ha overlaps with HGU No. 19 year 2000
  - c) An area of 12,4804 ha for the river area (river body)
  - d) An area of 0.4432 ha for the PLN Sutet tower site area
  - e) An area of 207.1883 ha for areas indicated to be in Convertible Production Forests (HPK)
  - f) An area of 50.8050 ha for areas indicated to be in the Water Catchment Protected Area (KLRA)
- Based on field visits to the issued areas and based on the indicated operational map of PT Inecda, it is known that the indicated areas are in Convertible Production Forests (HPK), namely in block A16 Division 7 Estate 2 and those indicated are in The Water Catchment Protected Area (KLRA), which is in block A17 Division 7 Estate 2, is already planted with oil palm and is still under the management of PT Inecda, so that at the time of this surveillance audit, the area no longer has any land rights.
- The company showed that for areas indicated as being included in convertible Production Forest (HPK) areas, the process for submitting HPK releases has been carried out since 2016 to the Ministry of Environment and Forestry of the Republic of Indonesia and has obtained a recommendation of  $\pm 1,288$  hectares of area that can be released from The Integrated Team for Applications

for the Release of Convertible Production Forest Areas in May 2019, however, until this audit took place, the issuance of the Decree for the Release of HPK has not yet been published and is in process.

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

Based on this evidence, it is concluded that there is an area that is still under the management of PT Inecda covering an area of ± 257.9933 Ha that does not have legal documents showing legal land use rights.

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

Decree (SK) of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No: 29/HGU/KEM-ATR/BPN/IV/2021 concerning the Extension of the Term of Cultivation Rights on behalf of PT Inecda was issued on 29 April 2021 and a new decree received by the company about a week from the date of issuance, so no management or settlement steps have been taken.

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

1. Revise the Time Bound Plan and Partial Certification, and submit or report to the Certification Body (Management of PT. Mutu Agung Lestari).
2. Determine areas indicated by HPK and KRLA as non-certified areas, separate production from these areas and the company does not claim production from these areas as RSPO certified products. Supporting documents include, among others, a letter of determination of the release of HPK and KRLA areas, a map of the separation of certified and non-certified area blocks, IK for the separation of certified and non-certified FFB, proof of marking the boundaries of area separation and socialization/briefings to all workers regarding the separation of production from production. the area.
3. Follow up on legality management for areas indicated by HPK and KRLA to the relevant government agencies.

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

1. The HGU renewal process is carried out at least 2 years before the HGU expires, so that the company can quickly get information if there are changes to the company's previous HGU area.
2. Establish better coordination with the Agency that stipulates the Decree on the Extension of the HGU, so that information can be obtained quickly if there is any or the conditions that cause the change in the area of the Company's HGU.

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

**Verification on 26 July 2021**

The company has explained root cause analysis and corrective actions. The company also shows evidence of improvements as follows:

- Notification of changes to the scope of PT Inecda's RSPO certification to Mutuagung Lestari on July 21, 2021 in which it is stated in the letter that PT Inecda has determined areas that are not included in the extension of the new HGU as areas that are not RSPO certified and will perform the separation of production and do not make claims on production originating from the area that has not been certified as certified products as of August 1, 2021.
- PT Inecda's internal COO memo (No: 319/SPO/INC-PKU/VII/2021 dated 21 July 2021 addressed to the Plantation Senior Manager and Mill Manager regarding the determination and management of blocks that are not RSPO certified. In the memo it is explained technical determination and management of blocks that are not RSPO certified.
- The company sent back the latest Timebound plan which includes the area indicated by the Convertible Production Forest (HPK) of 207.19 Ha and the area indicated by the Water Catchment Protected Area (KLRA) of 50.80 Ha at PT Inecda as uncertified area and planned to be certified by June 2023.
- Map with a scale of 1:50,000 showing the location of areas that are not yet RSPO certified and areas that are the scope of RSPO certification.
- Details of the blocks that enter the HPK indicated area (207.19 Ha consisting of planted area, housing and other areas) as well as those that enter the indicated Water Catchment Protected Area (50.80 Ha consisting of planted area, housing and other areas).
- Documents showing the application process for forest area release, such as a letter of application for release of forest area to the Minister of Environment and Forestry, receipt of application by BKPM to a letter requesting the Governor's consideration for the release of convertible production forest area for PT Inecda plantation.
- Screen capture evidence of PT Inecda's communication with the Riau Provincial PUPR staff regarding the progress of the Riau RTRW revision which will remove the area indicated by KLRA in PT Inecda from the Riau RTRW due to actual conditions on the ground that the area has been planted with oil palm plantations.

- PT Inecda Certified FFB Separation Work Instruction (No: 01-WIN-AGR, January 1, 2019).
- Minutes of socialization of Certified FFB Separation IK and marking of uncertified area boundaries at PT Inecda's Plantation 1 to harvest workers, FFB carriers and field supervisors on July 24, 2021 (along with photos and proof of attendance list of participants in the socialization).
- Minutes of the socialization of Certified FFB Separation IK and marking of uncertified area boundaries at PT Inecda's Plantation 2 to harvest workers, FFB carriers and field supervisors on July 24, 2021 (along with photos and proof of attendance list of participants in the socialization).

Based on the root cause analysis, corrective actions and evidence of improvement shown, it can be concluded that the Non-conformity in the indicators with critical category is closed and will be observe during next assessment.

**Verified by** : **Hasiholan Sihombing**

NCR No.	: 2021.06	Issued by	: Afiffudin
Date Issued	: 28 May 2021	Time Limit	: ASA-3
NC Grade	: Non Critical	Date of Closing	: 19 August 2021
Standard Ref. & Requirement	6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified in accordance with applicable regulations in Indonesia.		
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>Based on interviews with upkeep workers at Estate 2, it is known that the person concerned is a new mother (who is breastfeeding a 4-month-old child). However, the person concerned was never asked for an opinion regarding the needs of new mothers.</li><li>Based on the results of interviews with representatives of the Gender Committee, it is known that the person concerned has never been asked for an opinion regarding the needs of new mothers.</li><li>Based on the results of interviews with management, it is known that the company has not assessed the needs of new mothers by asking for their opinions (new mothers).</li></ul>			
Non-Conformance Description (filled by auditor): <p>Based on the explanation above, there is no evidence that the management has conducted an assessment of the needs of new mothers by asking for their opinion, and taking action to meet the needs that have been identified in accordance with applicable regulations in Indonesia.</p>			
Root Cause Analysis (filled by organization audited): <p>The company has not fully identified the fulfillment of the laws and regulations related to manpower, especially those related to the needs of workers/ mothers who have just given birth. This is because currently most of the identification activities of laws and regulations are still carried out by the HSE Team, both identification of laws and regulations related to OHS, Environment, Employment, Legality or Plantation Business. It is very possible that there are laws and regulations that are not identified, especially in parts that are not/less controlled by the HSE Team.</p>			
Correction (filled by organization audited): <ol style="list-style-type: none"><li>Identify the needs of new mothers in accordance with applicable laws and regulations and make plans to fulfill them.</li><li>Create data or conduct an inventory of female workers/ mothers who have just given birth in all Units (estate and mill).</li><li>The HRD team and Heads of Sections/Departments, in a participatory manner asked the opinions of the new mothers regarding their needs.</li></ol>			

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

Regularly/ periodically evaluate the laws and regulations, and if there are regulations that are relevant to the operational activities of oil palm plantations, a fulfillment plan will be made.

Mechanisms for the implementation of Identification and Evaluation Activities for Compliance with Laws and Regulations and other Requirements that would be applicable in all Sections/Departments/Units:

- Currently, most of the activities of identifying laws and regulations are still being carried out by the HSE Team, both identifying laws and regulations related to OHS, Environment, Employment, Legality and Plantation Business. It is very possible that there are laws and regulations that are not identified, especially in parts that are not/less controlled by the HSE Team.
- To prevent unidentified laws and regulations, the implementation of the Identification and Evaluation of Legislation Compliance activities is determined as follows:
  - Identification and Evaluation of Legislative Rules related to OSH → carried out by the HSE/ OHS Team
  - Identification and Evaluation of Environmental Laws and Regulations → carried out by the HSE Team/ Environmental Personnel
  - Identification and Evaluation of Labor-related Laws and Regulations → carried out by the HRD Team
  - Identification and Evaluation of Laws and Regulations related to Legality → carried out by the Legal Team/ Public Relation
  - Identification and Evaluation of Legislation related to Plantation Business → carried out by Legas Team/ Public Relation/ Agronomy/ and HSE Team
- The team for compiling the list of laws/other standards (OHS Team, Environment, Labor, Legal, Agronomy) searches/searches for laws and regulations or other standards related to plantation/mill operations and information on changes by contacting related parties or looking on the website .
- Furthermore, the Team will identify and take stock of other laws/standards relevant to plantation/factory activities.
- After identification, the Team prepares a plan for the fulfillment or implementation of the obligations contained in the applicable laws and standards.
- Evaluate compliance with the application of laws and regulations and other standards related to plantation/factory operations on a regular basis at least once a year.
- If there are changes to laws and regulations or other requirements related to plantation/mill operations (additions, cancellations, revisions), the list of laws and regulations must be updated.

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

**Verification 26 July 2021**

Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.

**Verification 05 August 2021**

Root cause analysis, correction and corrective action not yet approve. The Non-conformity is open.

**Verification 19 August 2021**

The company shows evidence of improvement as follows:

1. Evidence of socialization of the Implementation Mechanism for Identification & Evaluation of Legislation and Regulations to all PICs via email on August 4, 2021.
2. Plan for Fulfillment/Compliance with Legislative Regulations Related to the Needs of New Mothers Giving Birth to mill and estate, which explains the laws and regulations, articles/paragraphs, aspects that must be carried out, compliance plans, fulfillment status and PIC.
3. Data for new mothers giving birth for the period January - July 2021, namely 6 people from estate.
4. Minutes of Requesting Opinion on the Needs of New Mothers Giving Birth in estate, dated August 14, 2021, which resulted in 5 needs for new mothers.
5. Minutes of Participatory Meeting with mill Employees, 7 August 2021.
6. Table of Needs Assessment for PT Inecda's New Mothers and their status and PIC.

Based on the root cause analysis submitted, the evidence of improvement shown and the preventive actions that have been taken, the non-conformance in this indicator is closed and will be re-observed in the next assessment.

**Verified by** : Afiffuddin



NCR No.	: 2021.07	Issued by	: Yudhi Yuniarto
Date Issued	: 28 May 2021	Time Limit	: ASA-3
NC Grade	: Non Critical	Date of Closing	: 20 September 2021
Standard Ref. & Requirement	6.7.2 Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed		
Evidence observed (filled by auditor): First Aid Kit			
<div>1. Permenaker No. 15 of 2008 concerning First Aid for Accidents in the Workplace, which in Appendix II explains that the contents of the First Aid box are 21 types.</div> <div>2. Letter from PT INECDA Polyclinic Doctor number 004/Klinik-INC/07/2018 regarding Drug Recommendations for First Aid Bags explaining that the types of equipment recommended in first aid kits in the field are 17 types.</div> <div>3. Based on field observations and checking the first aid kit in the field found the following evidences:<div><div>a. Harvesting at Block K16 Afdeling IX Estate 2: there are no mites, tweezers, guidebooks and monitoring.</div><div>b. Harvesting at Blok M29 Afdeling VIII Estate 2: only contains betadine, alcohol, scissors, mitela and bandages.</div><div>c. Toxic and hazardous waste temporary storage area and spare parts warehouse: Alcohol and Betadine have expired.</div></div></div>			
Fire Extinguisher (APAR)			
<div>1. SOP for the Management of Fire Extinguishers with document number 026-SOP-ISP dated January 2, 2014 which explains the procedures for installing, placing, maintaining, using and inspecting APAR.</div> <div>2. Permenakertrans No. 4 of 1980 concerning the terms of installation and maintenance of fire extinguishers, it is known that there are differences in the installation of fire extinguishers in the pole and wall areas where when the fire extinguisher is installed on the wall it is given a triangle symbol and if it is installed on the pole it is given a circular symbol with a thickness of 20 cm with a height of 125 cm from the surface. land.</div> <div>3. Based on field observations in estate and mill as well as observations related to fire extinguishers found the following evidences:<div><div>a. The installation of the fire extinguisher on the pole is not in accordance with the procedures at the Boiler Station, Clarification Station and Sterilizer Station.</div><div>b. There is no fire extinguisher at the top floor Sterilizer Station.</div><div>c. The height of the fire extinguisher is not in accordance with the procedure and there is no fire extinguisher symbol on the wall in the Estate 1 and Estate 2 offices.</div><div>d. The placement of the fire extinguisher in the TUS Estate 1 house was not in accordance with the procedure (on the floor).</div><div>e. The placement of the fire extinguisher in the Estate 1 and Estate 2 generator rooms is not in accordance with the procedure (above the door) and there is no fire extinguisher symbol.</div></div></div>			
Non-Conformance Description (filled by auditor): Based on this evidence, it is known that there are facilities and infrastructure for handling emergency situations that are not in accordance with the procedures established by the certification unit and related regulations.			
Root Cause Analysis (filled by organization audited): The application of laws and SOPs in companies related to procedures and provision of emergency infrastructure is still not consistent, in addition to monitoring compliance has also not been going well.			
Correction (filled by organization audited): 1. Disseminate the rules of law and SOPs related to procedures, provision and monitoring of emergency facilities to all persons in charge in all estate and mill Units.			

2. Provide equipment or contents of the First Aid Box and First Aid Bag according to the Recommendation Letter from the PT INECDA Polyclinic Doctor number 004/Klinik-INC/07/2018.
3. Replace the contents or drugs in the expired first aid kit/ first aid bag.
4. Provide Fire Extinguisher at stations that are not yet available of Fire Extinguisher.
5. The procedure for placing and installing Fire Extinguisher refers to Permenakertrans No. 4 of 1980 and SOP No. 026-SOP-ISP concerning the Management of Light Fire Extinguishers (APAR).

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

1. Monitoring the suitability of the contents and expiration date of medicines or contents in the First Aid Box/ First Aid Bag on a regular basis.
2. Monitoring the need for fire extinguishers and the suitability of procedures for installation and placement as well as the feasibility of fire extinguishers on a regular basis in estate and mill.

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

**Verification 20 September 2021**
**Fire Extinguishers (APAR)**

The company shows evidence of improvement as follows:

1. Minutes of repair and installation of APAR signs/symbols at kernel, sterilizer, dispatch, and boiler stations which was held on July 6, 2021.
2. Minutes of repair and installation of APAR signs/symbols on housing C03, housing F14, housing H03, housing C12, spray unit (TUS), and generator engine room on July 6, 2021.
3. Minutes of repair and installation of APAR signs/symbols on housing N32, and housing N17 on July 26, 2021.
4. Minutes of repair and installation of APAR signs/symbols on housing I18, housing C11 and housing C04 on August 12, 2021.
5. Minutes of socialization of laws and SOPs for Emergency Response which were carried out in each afdeling and factory on August 16 and June 21, 2021. The company also showed the attendance list, documentation and socialization materials.

**First Aid Box/ Bag**

The company shows evidence of improvement as follows:

1. The form for checking the completeness of the first aid bag for estate and first aid kit for mill for the period of May 2021.
2. Minutes of replacement of the contents of the first aid kit on May 25, 2021, located at the material warehouse and hazardous waste warehouse.
3. The form for checking the completeness of the first aid bag for estate and first aid kit for mill for the period of June 2021.
4. Minutes of handing over the contents of the first aid kit to the foreman of Estate I and Estate II of PT Inecda on 23 June 2021.

Based on the foregoing, the Non-conformity is closed and will be observe in the next assessment

**Verified by** : **Yudhi Yuniarto**

<b>NCR No.</b>	<b>2021.08</b>	<b>Issued by</b>	<b>Yudhi Yuniarto</b>
<b>Date Issued</b>	<b>28 May 2021</b>	<b>Time Limit</b>	<b>26 August 2021</b>
<b>NC Grade</b>	<b>Critical</b>	<b>Date of Closing</b>	<b>4 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.7.3</b> <b>Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</b>		

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

1. The certification unit has a Personal Protective Equipment (PPE) Matrix document that explains the types of PPE used for each type of work, both in the plantation and in the factory.
2. Based on field observations found the following evidence:
  - a. In the FFB transport activity at Block L33 Division 7 Estate 2 there are 2 employees who do not use helmet when working.
  - b. In harvesting activities at Block K16 Division 9 Estate 2, there was 1 employee who did not use helmet when working.
  - c. In FFB transportation activities in Block I12 Estate 1, there are 2 employees who do not use helmet when working.
3. Based on interviews with TBS transport employees, it is known that these employees do not use PPE at work because they forgot to bring the PPE.

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

Based on this evidence, it is known that there are employees who do not use PPE in accordance with the PPE matrix that has been set by the certification unit at work

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

The implementation of the OHS norm rules (especially the obligation to use PPE) has not gone well, as well as the supervision of the observance of the OHS rules.

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

1. Disseminate SOP No.019 – SOP – ISP regarding Obligations and Management of Personal Protective Equipment and compliance with OHS Norms applicable in the company, to all employees.
2. The Management of estate and mill issues a Decree containing, among other things; that all Foremen and Assistants are responsible for socializing OHS, providing PPE needs and ensuring that workers under their supervision always comply with OHS norms including the use of PPE, for employees who do not use PPE that has been determined by the company are not allowed to work before completing and using PPE Therefore, Management will provide disciplinary sanctions for employees who do not comply with the established OHS norms.

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

1. Creating and increasing employee awareness regarding OHS Rules is not only limited to the use of PPE, through OHS socialization activities, OHS campaigns and SMK3 assessments in each section or department.
2. Increase the effectiveness of the implementation of the SMK3 Assessment Competition which has been carried out every month (where one of the assessment items is about the observance of the use of PPE).

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 04 August 2021**

The certification unit shows evidence of improvement as follows:

1. Confirmation Letter regarding the Use of Personal Protective Equipment (PPE) from the Senior Manager dated July 26, 2021. The letter explains that the assistant and foreman are responsible for worker safety, socialization of OHS to workers, and ensuring that all workers always use the specified PPE by the company. In addition, the certification unit will also provide disciplinary sanctions for employees who do not comply with the established OHS norms.
2. Minutes of Socialization of SOP 019 regarding PPE Management which was held on 2, 3, 4, 8, 9, 14, 15, 17 and 21 June 2021 in each afdeling. The socialization material includes the need for PPE based on the type of work and compliance in the use of PPE. The certification unit also shows documentation and attendance lists for the socialization in each unit.

Based on the foregoing, the Non-conformity is closed and will be observe in the next assessment.

**Verified by** : **Yudhi Yuniarto**

<b>NCR No.</b>	: <b>2021.9</b>	<b>Issued by</b>	: <b>Rahmat Abdiansyah</b>
----------------	-----------------	------------------	----------------------------

<b>Date Issued</b>	: 28 May 2021	<b>Time Limit</b>	: ASA-3
<b>NC Grade</b>	: Non-Critical	<b>Date of Closing</b>	: 08 August 2021
<b>Standard Ref. &amp; Requirement</b>	<b>7.3.1</b> <b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Hazardous and Toxic Waste Management Procedure with Document Number 012-SOP-ISP dated October 1, 2018 where at point 6.3.7 it is explained that at each hazardous and toxic waste storage place in the Temporary Storage of Hazardous and Toxic Materials Waste must be given an identity in the form of symbols, label and name of waste Hazardous and toxic materials according to the characteristics and types of waste Hazardous and toxic materials that exist. Then at point 6.3.15 it is explained that any waste of hazardous and toxic materials produced and stored in the Temporary Storage of Hazardous and Toxic Materials must be recorded/administered neatly using a Hazardous and Toxic Waste Balance.</li> <li>Based on the results of field observations at the Temporary Storage of Hazardous and Toxic Waste in Inecda POM, it is known that the name of the hazardous and toxic waste is not yet available for the types of used cartridges, medical waste, and used paint packaging. In addition, there is no record of waste Hazardous and toxic materials stored in Temporary Storage for Hazardous and Toxic Materials for used cartridge types.</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> The Company has not been able to show evidence that the management of hazardous and toxic waste in the temporary storage of hazardous and toxic waste is in accordance with the procedures it has.			
<b>Root Cause Analysis (filled by organization audited):</b> Officers in the hazardous waste management section do not fully understand the contents of SOP No.012 – SOP – ISP regarding the management of hazardous waste. This is because the current officers are new workers who have been transferred from other divisions, and have not received socialization or understanding regarding the SOP for the Management of Hazardous Waste.			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Giving identity for all types of hazardous waste stored at the Hazardous Waste Warehouse.</li> <li>Record in the hazardous waste Logbook for all types of hazardous waste entering or stored at the Hazardous Waste Warehouse and hazardous waste leaving the warehouse.</li> <li>Provide training/socialization of the understanding of hazardous Waste Management SOPs to PICs/New Officers managing Hazardous Waste Warehouse.</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> The company will provide training, socialization or debriefing beforehand to all new workers related to new jobs that are their duties and responsibilities.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 28 July 2021</b> The company has conducted root cause analysis, corrections, and corrective actions. The root cause analysis has been accepted, but for corrective and corrective actions it has not been accepted because the company has not shown evidence of documentation of implementation of the corrections and corrective actions taken. Thus the non-conformity in this indicator is open.			
<b>Verification 08 August 2021</b> The company shows evidence of improvements in the form of: <ul style="list-style-type: none"> <li>Minutes and documentation of identification of all types of hazardous waste in the Hazardous Waste Warehouse at mill on June 16, 2021.</li> <li>Proof of recording of hazardous waste in the hazardous waste logbook that enters the Hazardous Waste Warehouse Mill on June 16, 2021.</li> </ul>			

- Minutes of socialization of the SOP for Hazardous Waste Management which was held on August 5, 2021, which was attended by 14 Inecda Mill Employees including the PIC of the Officer for the Hazardous Waste Warehouse.
- Analysis of root causes, corrections, and corrective actions that have been corrected and responded to by the company.

Based on the evidence of improvement that has been shown by the company, the non-conformity in this indicator is closed and will be observe at the time of the next assessment.

**Verified by** : **Rahmat Abdiansyah**

<b>NCR No.</b>	<b>2021.10</b>	<b>Issued by</b>	<b>Rahmat Abdiansyah</b>
<b>Date Issued</b>	<b>28 May 2021</b>	<b>Time Limit</b>	<b>ASA-3</b>
<b>NC Grade</b>	<b>Non-Critical</b>	<b>Date of Closing</b>	<b>30 August 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated</b>		

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

- Domestic Waste Management Procedure with Document Number 015 – SOP – ISP dated January 02, 2014 where in point 6.3.4b it is explained that periodically 2 (two) times in 1 (one) week, the appointed officer will take and transport the waste to the landfill final waste (landfill) with a system of separating waste based on the type between organic and inorganic waste.
- Based on the results of field observations to landfills in the Mill area, Block C4 Afdeling 1 Estate 1, and Block N34 Afdeling 11 Estate 2, it is known that domestic waste is not separated according to its type, namely organic and inorganic.
- Hazardous and Toxic Waste Management Procedure with Document Number 012-SOP-ISP dated October 1, 2018 where in point 6.3.1 it is explained that all hazardous and toxic wastes generated from the company's operational activities must be collected and stored in the Temporary Storage of Hazardous Materials. and poisonous. Then in point 6.3.4 it is explained that the waste of hazardous and toxic materials produced and stored in the estate work unit must be immediately sent to the Temporary Storage of Hazardous and Toxic Waste in the Mill at least once a month or before the volume reaches more than 200 liters for this type. waste Hazardous and toxic liquid liquid and for the type of waste Hazardous and toxic solid material in whatever amount is sent along with the shipment of the liquid hazardous and toxic waste.
- Based on field observations in the generator room Afdeling 3 Kebun 1 there are 6 Pcs Filters used for a long time have not been sent to the Temporary Storage of Hazardous and Toxic Waste at the Mill. Based on the verification of the document for recording the entry and exit of hazardous and toxic waste, it is known that there is a used filter that entered on April 16, 2021, weighing 0.004 tons, but the origin of the producer of hazardous and toxic waste is not stated.
- Based on field observations to the Estate 1 Oil Warehouse, there are drums of used oil that have not been sent to the Temporary Storage of Hazardous and Toxic Waste at the Mill. Result of document verification Recording in and out of waste Hazardous and toxic materials since the period March 2021 there are no types of used oil drums entering from unit estate 1.
- Based on field observations of water level Block I21 Afdeling 5 Estate 1, it was found that the pesticide packaging was not in the right place.
- Based on field observations to the Afdeling 10 Estate 2 Housing, there were traces of chemical packaging that were reused as a trash can / dustpan.
- Based on the interview with the Insial SK worker, it was found that the employee did not understand where the hazardous and toxic waste was stored.

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

Based on this explanation, the Company has not been able to show evidence that waste disposal is in accordance with procedures that are fully understood by workers.



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

1. The understanding of housing residents or workers regarding Domestic Waste Segregation (organic & inorganic) is still very low, due to lack of socialization or uneven socialization related to domestic waste management to them.
2. The understanding of housing residents or workers regarding Hazardous Waste Management is also still very low, this is also due to the lack of socialization or the unequal distribution of socialization related to hazardous waste management to them.
3. Supervision or monitoring of conformity of procedures has not gone well, due to the absence of a person or officer who is responsible for conducting supervision.

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

1. Disseminating SOP No. 015 – SOP – ISP regarding Domestic Waste Management to housing residents and employees in all housing/stations in factories and plantation.
2. Socializing SOP No. 012 – SOP – ISP regarding Hazardous Waste Management to housing residents and employees in all housing/stations in mill and estates.
3. Sorting waste starting from the trash cans in employee housing/work stations to sorting it to the landfill (Final Waste Disposal Site).
4. Carry out sweeping or collection of hazardous waste in employees' homes and in all work areas, especially at stations that are sources of hazardous waste (such as Genset Rooms, Workshops or Chemical Warehouses) and store hazardous waste in a licensed hazardous waste warehouse.
5. GM/SM/MC/Manager assigns PIC for Domestic Waste Management in each Section/Station, where the responsibilities of the PIC start from providing trash bins, outreach, setting the schedule for transporting waste to landfill (Final Waste Disposal Sites) until waste management supervision.
6. The GM/SM/MC/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 Warehouse.

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

1. The HSE Officer/Environmental Staff together with the PIC for Domestic Waste Management or the appointed PIC for Hazardous Waste Management, conduct monitoring and inspection of domestic waste management and hazardous waste management in each Section/Station with a predetermined time period and report the results of the inspection to the GM/ SM/ MC/ Manager.
2. Improving the effectiveness of the implementation of the SMK3 Assessment Competition which has been held every month (where one of the assessment items is about the management of domestic waste and hazardous waste), as a means or tool to increase the awareness of employees or residents of housing related to OHS and environmental management.

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

**Verification 28 July 2021**

The company has conducted root cause analysis, corrections, and corrective actions. The root cause analysis has been accepted, but for corrective and corrective actions it has not been accepted because the Company has not shown evidence of documentation of implementation of the corrections and corrective actions taken. Thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 08 August 2021**

The Company has corrected the corrective and corrective actions in accordance with the responses/questions of the Auditor, but the Company has not shown evidence of the implementation of the corrections and corrective actions taken. thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 30 August 2021**

The company has sent proofs of repairs in the form of:

- Minutes of Socialization of SOP for Domestic Waste Management conducted on June 9, 2021 to 35 mill workers.
- Minutes of Socialization of SOP for Hazardous Waste Management conducted on June 16, 2021 to 35 mill workers.
- Minutes of Socialization of SOP for Domestic Waste Management conducted on June 22, 2021 to 68 estate workers.
- Minutes of Socialization of SOP for Domestic Waste Management conducted on June 24, 2021 to 64 estate workers.
- Minutes of Socialization of SOP for Domestic Waste Management conducted on July 14, 2021 to 13 Nursery workers.
- Minutes and documentation of waste sorting at domestic waste bins, mill stations and landfill conducted on 16 June 2021.
- Minutes and documentation of Sweeping hazardous waste collection at Housing and mill stations on June 8, 2021.
- Letter from Mill Manager Number 079/IC-POM/VI/2021 dated June 10, 2021 regarding the appointment of the person in charge of domestic waste management.

- Letter from Mill Manager Number 078/IC-POM/VI/2021 dated June 10, 2021 regarding the appointment of the officer in charge of hazardous waste management at the station unit.
- Letter of Assignment from the Senior Manager dated August 18, 2021 regarding the appointment of an officer in charge of hazardous and domestic waste management for each estate unit division.
- Schedule for monitoring and inspection of domestic waste and hazardous waste management for the 2021 period.
- The results of monitoring and inspection of hazardous waste management for the period of July and August 2021 with the results in accordance with the SOP for hazardous waste management.
- Results of monitoring and inspection of domestic waste management for the period of July and August 2021 with the results in accordance with the SOP for domestic waste management.
- The results of monitoring and inspection of hazardous waste management for the period August 2021 for estate units with results in accordance with hazardous waste management SOPs.
- Responses from the Company to the Auditor's questions on the previous verification.

Based on the evidence of improvement submitted, it can be concluded that the non-conformance in this indicator is closed.

**Verified by** : **Rahmat Abdiansyah**

NCR No.	: 2021.11	Issued by	: Rahmat Abdiansyah
Date Issued	: 28 May 2021	Time Limit	: ASA-3
NC Grade	: Non-Critical	Date of Closing	: 30 August 2021
Standard Ref. & Requirement	: 7.3.3 The unit certification does not use open fire for waste disposal.		
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>Based on the results of field observations in the residential area of Afdeling 3 Estate 1 PT Inecda there are traces of domestic waste burning.</li><li>Based on the results of field observations to the residential area of Afdeling 10 Estate 2 PT Inecda, there are 2 points of burning domestic waste.</li><li>Based on the results of interviews with several employees of Kebun Estate 1 and 2, it is known that there is still burning of domestic waste carried out by residents of employee housing.</li></ul>			
Non-Conformance Description (filled by auditor): <p>Based on this evidence, it is known that in the company's operational area there are still open burning activities for the destruction of domestic waste.</p>			
Root Cause Analysis (filled by organization audited): <p>The HSE Plantation Team and the Afdeling Assistant/Housing Assistant have not been maximal in conveying or providing socialization regarding the Prohibition of Burning Policy to employees and residents of employee housing, so there are still many employees or residents of employee housing who do not know about the Prohibition of Burning Activities.</p>			
Correction (filled by organization audited): <ol style="list-style-type: none"><li>Carry out sweeping/ cleaning of domestic waste or traces of burning domestic waste throughout the mill and estate areas (either in the work area or in employee housing).</li><li>Conduct socialization/training on understanding related to Domestic Waste Management, Prohibition of Burning/ Zero Burning to all levels of workers and to residents of employee housing.</li><li>Adding warning boards/ signboards for the Prohibition of Burning Garbage.</li><li>GM/SM/MC/Manager assigns PIC for Domestic Waste Management in each Section/Station, where the responsibility of the PIC</li></ol>			

starts from providing trash bins, outreach, to transporting waste to landfill (Final Waste Disposal Site).

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

1. The HSE/ Afdeling Assistant/Housing Assistant Team makes a monthly schedule for the socialization of the Prohibition of Burning Policy for employees and residents or residents of housing.
2. The HSE Team/ Afdeling Assistant/ Housing Assistant submits evidence of the implementation of the Prohibition of Burning Policy socialization that has been carried out to the Manager/ SM every month.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 28 July 2021**

The company has conducted root cause analysis, corrections, and corrective actions. However, there are still auditor notes that need to be corrected at the root cause analysis, corrective actions and need to be sent proof of the corrections that have been made. Thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 8 August 2021**

The Company has corrected the root cause analysis and corrected actions in accordance with the responses/questions of the Auditor, but the Company has not shown evidence of the implementation of the corrections and corrective actions taken. Thus the discrepancy in this indicator is declared Unfulfilled.

**Verification 30 August 2021**

The company shows evidence of improvements in the form of:

- Minutes and documentation of the closure of former waste burning in the PT Inceda housing complex on August 12, 2021.
- Minutes and documentation of the socialization of SOPs on domestic waste management and the no-burn policy to employees of each estate on August 14, 2021.
- Minutes and documentation of the installation of a sign board for sorting domestic waste between organic and inorganic on August 16, 2021.
- Minutes and documentation of the installation of a sign board prohibiting burning of waste in the PT Inceda housing complex on August 16, 2021.
- The schedule for the planned socialization activities includes the socialization of the ban on burning for the 2021 period.
- Letter of Assignment from the Senior Manager dated August 18, 2021 regarding the appointment of an officer in charge of hazardous and domestic waste management for each estate.
- Responses from the Company to the Auditor's questions on the previous verification.

Based on the evidence of improvement submitted, it can be concluded that the non-conformance in this indicator is declared Fulfilled.

**Verified by** : **Rahmat Abdiansyah**

NCR No.	: 2021.12	Issued by	: Yudhi Yuniarto
Date Issued	: 28 May 2021	Time Limit	: 26 August 2021
NC Grade	: Critical	Date of Closing	: 09 August 2021
Standard Ref. & Requirement	7.7.4 Availability of implementation evidence of the water and land cover management program.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none"><li>• The certification unit has a water management procedure with document number 019-SOP-AGR dated 5 May 2014 where in point 6.4 part 1a it is explained that the water level sign in water level monitoring is equipped with a water depth measurement.</li><li>• Based on field observations for water level observations in Block I21 Afdeling 5 Estate 1 it is known that the water level does not have a water depth measurement unit and the results of observations in Block J16 Afdeling 4 Estate 1 it is known that the 0 (zero)</li></ul>			

point on the water level is below the surface. ground (not parallel to the ground).

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

Based on this evidence, it is known that the monitoring of surface water levels is not in accordance with existing procedures

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

Estate has never carried out inspections or monitoring the feasibility of the tools or facilities used for water management & monitoring, including water depth measurement tools. This is because the jobdesk/duties and responsibilities of the PIC have not been clearly regulated regarding monitoring ground water levels.

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

1. Conduct an inventory of the number, location, and feasibility conditions of all tools or facilities used for water management and monitoring.
2. Repair/replace tools or infrastructure for managing and monitoring water levels that are damaged or that do not meet standards.
3. Revise the job description of the water level monitoring officer, by adding the duties and responsibilities to monitor the condition of the feasibility of the infrastructure used in accordance with the SOP or applicable rules.

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

Each Estate Assistant is responsible for ensuring all water management and monitoring facilities are in good condition, appropriate and meet the requirements.

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

**Verification 8 August 2021**

The certification unit shows evidence of improvement as follows:

1. Minutes of inventory and installation of PT Inecda's Plantation I water level monitoring facilities which will take place from 22 July 2021 – 27 July 2021. The company also shows documentation of these activities.
2. Inventory of water level monitoring facilities in each plantation and division, for example: in Estate I, Division III there are 15 water level monitoring points.
3. Revision of jobdesk by HRD for foremen and water management monitoring officers, for example as follows:
  - a. Foreman: ensure the water level peg is installed properly and the water level scale is clearly visible. If there is an improvement, it is reported to the concerned agency.
  - b. Officers: measure, record, and report the results of water level and piezometer measurements to the water level foreman and afdeling assistants.

Based on the foregoing, the discrepancy is declared to be fulfilled with the observation notes in the next assessment.

**Verified by** : Yudhi Yuniarto

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA - 3 Assessment**

NCR No.	:	2022.01	Issued by	:	Haikal Ramadhan Kharismansyah
Date Issued	:	15 July 2022	Time Limit	:	13 October 2022
NC Grade	:	Major	Date of Closing	:	10 October 2022
Standard Ref. & Requirement	:	3.6.2 The effectiveness of the H&S plan to address health and safety risks to people is monitored.			
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>SOP No. 005-SOP-HRD regarding employee health checks/MCU which explains in point 6.2 point 1 that the company through HRD is required to conduct periodic checks every year on employees.</li><li>The company showed the results of the last medical examination on November 29 – December 3, 2021, which was attended by 104 mill employees and 1,027 estate employees, but no Fixed Period Working Agreement workers had a medical examination.</li><li>Based on the field visit, it was found that a number of Fixed Period Working Agreement employees were found in maintenance work at Estate 1 as many as 2 people with a work period of 10 months and in fertilizer work at Estate 2 as many as 2 people with a working period of 4 years, but the personnel stated that there had never been a health check while working at the company.</li><li>Regulation of the Minister of Manpower and Transmigration No. 2 of 1980 concerning health checks for workers in the implementation of work safety, which explains in article 3 paragraph 2 that all companies must carry out periodic health checks for workers at least once a year.</li></ul>					
Non-Conformance Description (filled by auditor): <p>The company has not been able to show evidence that regular health checks have been carried out for Fixed Period Working Agreement workers (especially those who work with chemicals) to monitor OHS risks to people.</p>					
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none"><li>There is a difference in understanding in interpreting the language or content of SOPs or regulations related to the rules for periodic health checks for workers at least once a year, which the company interprets because Fixed Period Working Agreement employees in each work contract are never more than 1 (one) years, they have not been given regular health checks.</li><li>For the implementation of periodic health checks in 2022, this has not been carried out, it is still waiting for the determination of the schedule for MCU activities.</li></ol>					
Correction (filled by organization audited): <ol style="list-style-type: none"><li>Establish a schedule of periodic health checks for the period of 2022.</li><li>Carry out periodic health checks for all workers/employees of the company, including employees with Fixed Period Working Agreement status.</li></ol>					
Corrective Action (filled by organization audited): <p>Will evaluate the conformity of the contents of SOP No. 005 – SOP – HRD on Periodic Health Examination (MCU) with its field implementation.</p>					
Assessor Evaluation and Conclusion (filled by auditor): <p>Verification September 1, 2022</p> <p>Perusahaan menunjukkan bukti perbaikan berupa :</p> <ol style="list-style-type: none"><li>Minutes, photos and attendance list of Fixed Period Working Agreement employees participating in MCU signed by the General Manager, HRD, Doctor and Training Officer on 27 August 2022.</li><li>Certificate from Prof Dr Tabrani Hospital with No. 001/RSTAB/KET-DIR/IX/2022 dated September 1, 2022 which explains that MCU has been carried out to Fixed Period Working Agreement employees on August 25-26 2022 as many as 160 employees with the type of examination, namely blood, urine, kidney, ECG, physical examination and chest x-ray examination.</li></ol>					



However, there is no evidence of preventive action in the form of evaluating the conformity of SOP No. 005 – SOP – HRD, so that this discrepancy is declared unfulfilled.

**Verification October 10, 2022**

The company shows evidence of corrective action as indicated by:

- Minutes of the revision of the employee medical examination procedure / MCU No SOP-005-HRD on September 15 which explained that the procedure had been revised by adding several points, such as, related to periodic medical check-ups carried out on Fixed Period Working Agreement worker and permanent worker.
- Revised form and SOP for employee health checks / MCU No SOP-005-HRD.

**Auditor Conclusion:**

Based on the root cause analysis, corrections, and corrective actions for non-conformances on this indicator, it is stated that it has been fulfilled and will be re-observed in the next assessment.

<b>Verified by</b>	:	<b>Haikal Ramadhan Kharismansyah</b>
--------------------	---	--------------------------------------

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	1.1.5	Ensure that the stakeholder list contains all relevant stakeholders
2	2.2.2	Ensure Social Health Insurance Administration Body payment for contractor workers
3	3.4.2	<p><b>For the unit of certification, a SEIA is available and social and environmental management plan and its monitoring have been developed with participation of affected stakeholders.</b></p> <p>The company has prepared an environmental impact management plan referring to the results of the initial identification of the Social Impact Assessment (SIA) in 2017, which in the program has explained in detail the stages and mitigation. However, when the surveillance audit 3 was carried out, several potential social issues were found that need to be immediately managed by the company, so as not to cause wider and/or prolonged social conflict. Based on this, the company has the opportunity to make improvements in the preparation of a more comprehensive social impact management program by involving the participation of all stakeholders to mitigate potential social conflicts.</p>
4	4.2.3	<p><b>The unit of certification keeps parties informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</b></p> <p>Based on the results of document review and interviews with representatives of Talang Sei Parit, Talang Sukamaju, and Talang Sei Limau villages as well as community leaders from these villages, it is known that until now the plasma agreements that have been agreed have not been realized. The company has actually started a plasma plantation development program covering an area of <math>\pm 1,300</math> Ha but the development of plasma/partnerships arose due to the extension of the HGU (which is different from the previous plasma agreement). The listed CPCLs are also not from the three villages.</p> <p>Based on the explanations of the parties including management representatives, it is known that the realization of plasma for the villages of Talang Sei Parit, Talang Sei Limau, and Talang Sukamaju has not been implemented due to the unavailability of land in the form of stretches as stated in the agreement. Thus, the company has the opportunity to maintain active communication with interested parties and arrange a measurable timetable to deal with these problems.</p>
5	4.2.4	The company has the opportunity to ensure the process of settling the claim for rice allowances that has been mediated by the Manpower Office of Indragiri Hulu Regency
6	7.7.5	<p><b>Drainability assessments are conducted for plantations planted on peat following the RSPO Drainability Assessment Procedure, or other method recognized by RSPO, (at least five years or in accordance with the provisions of the RSPO Drainability Assessment Procedure) before replanting. The results of the assessment are used to determine the period of replanting to be carried out, as well as to gradually replace oil palm cultivation for at least 40 years or two cycles, (whichever is longer), before reaching the natural gravitational drainage limit for peat. If oil palm is gradually replaced, it is replaced by other commodity crops that are better suited for higher groundwater levels (paludiculture) or rehabilitated with natural vegetation.</b></p> <p>Based on the distribution of planting years in peat areas, it is known that the distribution of planting years began in 1990-1992, 1995-1998, 2001, 2003-2009 and 2013-2020. From the planting year, it is known that the planting age in peat areas ranges from 2 - 32 years and replanting in peat areas has started from 2018 which will then continue with the replanting plan from 2022-2029.</p> <p>The company also shows peat drainability studies from 2018-2022 using the company's internal/self-assessment method. 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. Thus, the company has the opportunity to ensure the</p>

		implementation of the initial drainability assessment in accordance with these provisions.
7	7.12.7	<p><b>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</b></p> <p>Based on the results of field observations in the replanting area for the 2022 planting year in blocks J23/J24 and K25/J26, it was found that the use of nets was used to control <i>Oryctes</i> (horn beetles). This has the potential to be a threat to wildlife species, especially bird species. The results of field observations in several locations also showed that there were still many species of thickets (<i>Halcyon smyrnensis</i>) that had the potential to be entangled by these nets. The company has monitored the netted area, and will evacuate if there are entangled animals. Based on this, the company has the opportunity to identify potential risks to wildlife from netting activities, as well as determine a management plan that can mitigate the emergence of identified risks.</p>

**3.4.4. Noteworthy Positive Components**

No	Description
1	The company's commitment to implementing the principles of sustainable palm oil management
2	Teamwork, competence of personnel and good companions
3	Good document presentation
4	Has obtained ISPO certificate

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Indragiri Hulu District Manpower Office Head of Industrial Relations</b>  The results of the interviews revealed that: <ul style="list-style-type: none"> <li>• Wage determination is in accordance with the district minimum wage.</li> <li>• There has been a Fixed Period Working Agreement record and the daily labour has been notified to the Manpower Office.</li> <li>• The company has sent mandatory reports such as OHS Committee &amp; work accident reports and trade union meeting activities.</li> <li>• So far, there has never been a report from the employee regarding industrial relations and so on.</li> <li>• Good communication between the company and the Dinas.</li> <li>• There are media issues related to: <ul style="list-style-type: none"> <li>- Work accident <a href="https://koransatu.id/pekerja-pks-pt-ip-meninggal-akibat-kecelakaan-kerja/">https://koransatu.id/pekerja-pks-pt-ip-meninggal-akibat-kecelakaan-kerja/</a></li> <li>- Termination of Employment <a href="https://metrorakyat.com/2021/09/di-phk-sepihak-14-orang-security-laporkan-pt-ip-ke-pc-sp3-spsi-inhu/">https://metrorakyat.com/2021/09/di-phk-sepihak-14-orang-security-laporkan-pt-ip-ke-pc-sp3-spsi-inhu/</a></li> </ul> </li> </ul>	<p>Regarding issues in the media, the company has shown work accident investigations and also the progress of claims to Social Health Insurance Administration Body which have also been known by the heirs.</p> <p>As well as with regard to employees who have been laid off, the company has also mediated to previous employees until it was decided that employees should be laid off and their rights would be handed over to them. This was also conveyed during an interview with the District Manpower Office.</p>
<b>Land Office of Indragiri Hulu Regency</b>	<p>when the consultation was carried out there was no information on who had the disposition to provide information so that the activity could not be carried out</p>
<b>Environmental Service of Indragiri Hulu Regency. Head of Department</b> <ul style="list-style-type: none"> <li>• No changes to environmental documents.</li> <li>• Mandatory reports (RKL-RPL, hazardous and toxic waste management, and liquid waste) have been reported regularly.</li> <li>• Permit for utilization of liquid waste for land applications is still valid.</li> <li>• Supervision from Environmental Service of Indragiri Hulu Regency was last carried out in November 2021. The results of the monitoring show that waste management in the company has been carried out in accordance with applicable regulations and there are no issues/reports related to environmental pollution due to plantation operations.</li> </ul>	<p>There are no negative issues that need further clarification</p>
<b>Department of Agriculture, Plantation and Fisheries of Indragiri Hulu Regency Head of Plantation</b> <ul style="list-style-type: none"> <li>• The company has carried out routine reporting according to schedule</li> </ul>	<p>There are no negative issues that need further clarification</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>The company has also reported a forest and land fire prevention monitoring report</li> <li>The company is involved in the FFB pricing team at Plantation Agency</li> <li>The company already has a CSR program and has been reported.</li> </ul>	
<b>Inecda Employee Cooperative</b> <ul style="list-style-type: none"> <li>Cooperatives have been registered with the Cooperatives Office.</li> <li>The cooperative runs a business of buying and selling basic necessities and personal equipment.</li> <li>Each member makes a mandatory contribution at the time of registration as a member and a voluntary contribution every month.</li> <li>The last year-end meeting was conducted in March 2022.</li> </ul>	<p>There are no issues that require further clarification and this information has been described in the relevant indicators.</p>
<b>Labor union (Estate &amp; Mill)</b> <ul style="list-style-type: none"> <li>There are demands related to requests for rice in kind for rice allowances that have been mediated by the Manpower Office of Indragiri Hulu Regency in 2020 and there has been no follow-up meeting or response to this. From the results of the interview, information was also obtained that a meeting between the union and management was planned in the third or fourth week of July 2022. And if the meeting does not get an agreement, then the matter will be continued in the industrial relations court.</li> <li>The company has provided PPE and wages in accordance with applicable regulations</li> <li>There was a layoff case at PT Inecda and it has been resolved by both parties. Layoffs (security) because workers do heavy budgeting. The workers' rights have been paid by the company.</li> <li>There are cases of work accidents in the plantations in 2021 and POM in 2022. The rights for the plantation workers including BPJS claims have been paid in 2021 and for POM workers are still in process at BPJS.</li> <li>The company routinely conducts high-risk health checks as well as periodic health checks.</li> <li>There are temporary workers but for maintenance and support work. The temporary work agreement has been submitted to the Manpower Office</li> <li>The company has provided socialization related to CLA, company policies, work procedures and others.</li> </ul>	<p>The auditor has verified related to employment and has been further explained in criterion 3.5 and principal 6.</p>
<b>Gender Committee</b> <ul style="list-style-type: none"> <li>The gender committee consists of male and female</li> </ul>	<p>There are no issues that need further clarification and this</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>representatives</p> <ul style="list-style-type: none"> <li>No cases of sexual harassment in the last 1 year</li> <li>The company provides rest time for new mothers to breastfeed their children</li> <li>Menstrual leave is available with a mechanism to report to the foreman and will be examined at the clinic.</li> <li>Maternity leave is given 1.5 months before and 1.5 months after giving birth by showing the results of a doctor's examination.</li> <li>There is no difference between male workers and female workers. Every worker has equal rights in terms of employment opportunities and also anonymity protection/</li> </ul>	<p>information has been explained in the relevant indicators.</p>
<p><b>CV Prima Nusantara (local contractor)</b></p> <ul style="list-style-type: none"> <li>There are no complaints to the company</li> <li>The company regularly delivers socialization related to OHS, policies and procedures that apply in the company</li> <li>Payment has been made according to the agreement of both parties</li> <li>The wages of contractor workers are in accordance with the applicable minimum wage.</li> <li>Contractor workers have been registered with BPJS.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>
<p><b>Plasma Cooperative (Petalongan Makmur Jaya Sejahtera &amp; Pematang Jaya Sejahtera)</b></p> <ul style="list-style-type: none"> <li>The company has entered into a partnership to develop plasma plantations</li> <li>Implementation of the Cooperation / MOU for plasma plantation development partnerships began in December 2020.</li> <li>During the audit, the partnership program was just in the replanting stage and there was no supply of FFB from plasma to the Inecda mill yet.</li> <li>There are no complaints to the company</li> <li>Based on the MOU, the determination of the FFB price will be based on the price from the Plantation Office.</li> </ul>	<p>There are no issues that need further clarification and this information has been explained in the relevant indicators.</p>

Public Issues and Auditor Verification related to the complaint on the RSPO website
<p><b>Field observations and interviews related to social issues in the PT Inecda area</b></p> <p>The activity was carried out by conducting direct interviews with relevant stakeholders, namely the indigenous Talang Mamak community located in 3 villages around the company, namely Talang Suka Maju Village, Talang Sei Limau and Talang Sei Parit Village. Stakeholders that were sampled were representatives from the village government (3 village heads) and representatives from the indigenous peoples (3 people "Bathin"). Bathin is a traditional leader who serves as the leader of ceremonial events such as weddings, circumcisions, death, pond riding (religious rituals), and Gawai (traditional party rituals). In 1 village there are 2 Inners, so for the 3</p>

**Public Issues and Auditor Verification related to the complaint on the RSPO website**

villages sampled there are a total of 6 Inners. The mind sampled are Inner Irsan and Inner Larisan (Talang Sei Parit Village) and Inner Intangan (Talang Sei Limau Village). Inner 3 sampling is determined based on the following considerations:

- Consideration to take a sample of 2 Inner people from Talang Sei Parit Village because the complainant to the RSPO is on behalf of the village so to get more specific information and know the viewpoints of both Bathins, face-to-face interviews are needed
- Talang Suka Maju Village was not sampled due to its inner location which is quite far to access, the position of the village which is far from the company area (not directly affected), and the village was a Afdeling village from Talang Sei Limau Village around 2013.
- Inners from Talang Sei Limau Village (Bathin Intangan) were sampled to see the perspectives of traditional leaders from other villages.

Direct interviews were conducted using the in-depth interview method where the auditors visited each respondent's residence directly. Based on the results of the interviews, the following results were obtained:

- **Head of Suka Maju Village**

The informant stated that there were no social issues that developed in the community related to customary land ownership rights, complaints related to PT Inecda or other negative news regarding PT Inecda. Respondents said that they were greatly helped by the existence of CSR which was quite large when compared to other companies around their village. Respondents are aware of social issues circulating in the name of the Talang Mamak tribe, but these issues do not come from the village community but from other villages. A social issue that had arisen in Talang Suka Maju Village had arisen regarding the development of a Plasma Plantation which occurred around 2010, but the issue had subsided when the community obtained the Plasma area from another company located in the vicinity of their village.

Actual conditions in the field as well as comparisons with satellite imagery show that Talang Suka Maju Village is  $\pm 3$  km from the outermost boundary of PT Inecda's HGU and is not directly adjacent. The village is directly adjacent to PT Mega Nusa Inti Sawit and PTPN V. Respondents also explained that PT Inecda has established a fairly good cooperative and communication relationship so far, all aspirations submitted by the village are always responded to and followed up either by informal channels, namely contacting the PIC directly or formally by submitting a proposal to the management of the company.

- **Village Head and Head of Talang Sei Limau Village Government Affairs**

The informant stated that the cooperative relationship was going well, the company also routinely provided CSR which was considered sufficient to help the development of the village. Respondents also explained that they had never received complaints from the community. However, there is 1 complaint from the village head, namely regarding the development of plasma. Respondents stated that the promised plasma plantation development covering an area of 250 hectares has not been realized even for the first phase of 90 hectares. This is constrained by the absence of 90 hectares of land in one stretch of the village. Currently the land owned by the village is scattered and the amount cannot reach 90 ha. Respondents asked to be given a solution regarding this matter, but until now there has been no follow-up from the company to resolve the problem.

Actual conditions in the field as well as comparisons with satellite imagery show that Talang Sei Limau Village is  $\pm 5$  km from the outermost boundary of PT Inecda's HGU and does not have a direct border, where the village is directly adjacent to PTPN V. The results of interviews and review of the recently extended HGU 01 document are indeed involving Talang Sei Limau Village because part of the company's HGU area is included in the administrative area of the village, but because the distance is quite far and the location of the land is not in one stretch, the company considers in realizing plasma development from a business perspective.

- **Village Head and Head of BPD Talang Sei Parit Village**

The informant stated that the cooperative relationship was going well and there were no complaints from the village community, the company has routinely provided assistance in the form of CSR that supports cultural, religious, educational and economic aspects such as building cultural heritage, rejuvenating schools, repairing places of worship and direct assistance. to economically weak indigenous peoples. However, when responding to social issues related to the claim of customary land rights, the respondent cannot answer with certainty the problem, and directs him to directly question the matter to the Bathin concerned, because the claim originates from the Bathin who is in his village.

**Public Issues and Auditor Verification related to the complaint on the RSPO website**

The results of direct field observations and analysis of satellite images show that the Talang Sei Parit Village area is directly adjacent to the PT Inecda HGU which is marked by a dividing ditch. The results of the interview and review of the recently extended SK HGU 01 document also involved Talang Sei Parit Village because part of the company's HGU area was included in the administrative area of the village, so the company had an agreement to develop plasma for that village. However, as is the case with Talang Sei Limau Village, the Talang Sei Parit Village area does not allow for plasma development because there is no land in the form of one stretch according to the requested area, so that the realization of plasma development is still hampered until the time the audit is carried out. Currently, the company has just reached the stage of measuring lands that have the potential to be used as plasma but there has been no follow-up on these activities.

- **Bathin Irsan (Traditional Leader of Talang Sei Parit Village)**

When the auditor made a visit to carry out a public consultation, Bathin Irsan refused to comment or provide information regarding the issues that were submitted to the RSPO portal and submitted to his attorney. which has not been realized since 1996. The community did not approve of the extension of the company's HGU but by the authorities the extension of the HGU was still issued.

- **Bathin Larisan (Traditional Leaders of Talang Sei Parit Village)**

The informant stated that the good relations that had been established so far could be improved and the company's presence more or less contributed to the community, for example through CSR. Bathin Larisan neither supports nor prohibits Bathin Irsan's decision to demand the return of customary land tenure. However, according to his view, conflict with the company provides no other benefits. Bathin Larisan also said that Bathin Irsan's decision to make a claim was influenced by several outside parties, such as the AMAN organization. Apart from the problem of the demands, it is hoped that the company can make a more tangible contribution to the community in the form of plasma plantation development or partnerships, which have been promised for a long time.

- **Bathin Intangan (Traditional Leaders of Talang Sei Limau Village)**

The company has realized its social responsibility but what is expected by the community is the realization of the development of plasma plantations which since 1996 proceeded then in 2002 to 2018 and was last agreed in 2020 but there has been no follow up. Based on the agreement in 2002, the plasma area built is 1,506 Ha and 300 Ha. In its development, it was agreed to only be 250 ha and the community accepted this. However, until 2022 this has not been realized at all

The auditor also conducted interviews with several other parties to deepen the issue, namely with the Legal Counsel from Bathin Irsan as the party giving the complaint as well as company parties such as the Public Relations Afdeling, CSR division and Legal division. The results of the interview are as follows:

- **Lawyer for Bathin Irsan (Zulkifli SH) → Telephone Interview**

The informant said that he was the legal representative of the Talang Mamak community in Talang Sei Parit Village. The demands of the community according to the attorney Bathin Irsan are as follows:

- Indigenous land tenure that is not based on FPIC so that FPIC must be repeated regarding the willingness of the indigenous peoples whose land is used by the company.
- The existence of traditional/sacred sites that were damaged by the company (Danau Tiga) in the form of 1000 Ha of sacred forest and areas for looking for side dishes outside the 1000 Ha area as well as areas of community shifting cultivation
- There was a plasma plantation development agreement covering an area of 860 Ha at the beginning of the plantation development in 1996 but until now there has been no realization

- **Interview with the company**

stated that these social issues had emerged for quite a long time, even before S&G Biofuel took over PT Inecda, this was reinforced based on information from Bathin Intangan and Bathin Irsan which stated that there was a plasma development agreement for Talang Sei Limau Village since 1996, while S&G Biofuel only took over PT Inecda in 2008 (In accordance with the Deed of Transfer of deed No. 74 of 2008 dated July 10, 2008 regarding the transfer/sale and purchase of shares owned by Athena City Holding Limited and owned by PT Argacitra Kurnia to S&G Biofuel PTE.LTD) . The respondents stated that currently S&G Biofuel as the parent of PT Inecda will continue to be committed to realizing the development of plasma plantations, because in addition to the agreement from the previous company, the company also entered into a plasma development agreement at the

**Public Issues and Auditor Verification related to the complaint on the RSPO website**

time of the extension of HGU Number 01 in 2020. The realization of plasma development has carried out for several villages namely Pangkalan Kasai Village, Petalongan Village, and Pematang Jaya Village, but for Talang Sei Limau and Talang Sei Parit villages it cannot be done because they have not obtained land that meets the plasma development criteria. This is also in accordance with what was conveyed by the Village Head of Talang Sei Limau regarding plasma development.

Regarding the complaint that there is a sacred area managed by the company, the auditors directly verify the area. The area in question is Datuk Darah Putih which was designated as an HCV area referring to the 2013 HCV study where the area is outside the company's HGU. Interviews with the company stated that the area is on community land which is currently an oil palm plantation. The land owner does not object to the management of the tomb because there is no indication of destruction. In addition, the company also collaborates with land owners to carry out daily routine maintenance on the grave area. The results of field observations also show that the site is well maintained with the installation of an HCV Signboard and a barrier foundation to keep the graves from being eroded by rainwater.

In the traditional strata structure of the Talang Mamak tribe, what is considered the head of the tribe is called "Patih" and the position of the Inner is under the Patih. Patih leads several Talang Villages, while Bathin leads a small group of people from a village and generally in one village consists of 2 Bathins. Bureaucratic, who is responsible and has the right to act on behalf of the village is the village head. Likewise for the tribal level, the Patih should have the right to act on behalf of the Talang Mamak Tribe.

**Auditor analysis:**

- The party submitting the complaint is Bathin Irsan. The conclusion was obtained from the results of interviews with 6 samples of respondents and the confession of Bathin Irsan Himself, including those who claimed to be legal counsel.
- There is a third party that plays a role in this problem. This is reinforced by the results of a direct interview with Bathin Irsan who stated that he did not want to provide further information and the auditor was asked to contact his attorney. Meanwhile, Bathin Larisan stated that the parties that have been known to provide assistance include the AMAN organization
- The problem arose from the existence of an agreement to grant plasma plantations in the past since 1996, at which time S&G Biofuel, which is currently the parent of PT Inecda, had not yet taken over the company. S&G Biofuel only took over PT Inecda in 2008 in accordance with the Deed of Transfer No. 74 of 2008 dated July 10, 2008 regarding the transfer/sale and purchase of shares owned by Athena City Holding Limited and owned by PT Argacitra Kurnia to S&G Biofuel PTE.LTD. Legally, S&G Biofuel PTE.LTD has no obligation to build plasma because the agreement for the previous year was made with the previous owner of the company. However, the community certainly does not know and does not care about the ownership transfer, so the promise from the old owner is still being demanded to this day (the plasma development agreement was delegated to S&G biofuels). In its development, S&G Biofuel also has a plasma development agreement (The chronology of the plasma agreement after the takeover by S&G Biofuel is explained in a separate column)
- Regarding the complaint stating that the company operates in an area belonging to the Luak Talang Parit Community without obtaining prior approval from the community, this can be said to be inaccurate because PT Inecda as referred to in the complaint has been operating since the 1980s and obtained its first HGU in 1992 and subsequently, an additional HGU was issued in 2000. In the chronology of the complaint, it is stated that the demands made by the community were first filed in August 1996. In the period from 1996 to 2022, there have been several agreements between the company and the village communities around the company (not only Talang Sei Parit Village), such as the demands for plasma development since 1996 where there are indications that this is the result of a mutual agreement between the community and PT Inecda. As well as several FPIC processes that have been carried out, such as the most recent one in the extension stage of HGU No. 01 in 2020, which has now completed the extension process. In the HGU preparation activities, all villages that are within the scope of the company's HGU are also invited to become members of Committee B, and of course all aspirations and/or refusals can be submitted.

In addition, based on legal documents owned by the company such as Minutes of Committee B No. 26 and No. 61 and SK HGU No. 01 of 1991, SK HGU No. 19 of 1999 obtained the following information:

- History and Land Condition:
  - The land comes from the state land of the former HPH PT Harapan Baru Wood; Part of it is land that will be managed for transmigration land; The land was also requested to be managed by PTNV Gunung Pamela which in its development was returned to the state.
  - The land has been controlled by the state since 1960.



**Public Issues and Auditor Verification related to the complaint on the RSPO website**

- Land is a conversion production forest area and has been released from the Minister.
- At the time of the measurement, there was a population of  $\pm 183.52$  Ha and it had been used as an enclave.
- The requested land does not have any problems or disputes with cultivators or other parties in accordance with the Letter of the Head of Petalongan Village, Letter of the Village Head of Pasir Bongkal, and Letter of the Head of Talang Sei Parit Village in 1998 and is known to the Sub-District of Pasir Penyu and Sub-District of Pasir Kelayang.
- The interests of others and the public interest:
  - There are no objections to the application and except for the applicant, no party is entitled to the land being requested.
  - According to the beliefs of the surrounding population, the land is not considered sacred

The community also filed an objection to the extension of the HGU issued in 2021 because PT Inecda is suspected of violating respect for community rights and human rights by seizing the customary land rights of Luak Talang Parit and has not facilitated the construction of community gardens. However, in the Decree on the Extension of HGU No. 29 of 2021 (an extension of the SK HGU No. 01) it is stated that the objection is explained several points as follows:

- The land for which the extension of the term of the Cultivation Right Number 01 was requested was originally state land originating from a part of the forest area
- Based on article 30 of the ATR Ministerial Regulation Number 7 of 2017 concerning the regulation and procedure for establishing Cultivation Rights, it is stated that in the event that a Cultivation Right has been issued in accordance with the provisions of the law and is actually controlled by the right holder, then another party who feels he has the right if within a certain time 10 (ten) years since the issuance of the certificate, do not file a written objection to the certificate holder and the Head of the Land Office concerned or do not file a lawsuit to the Court regarding the control of the land or the issuance of the certificate.

Regarding the objection to the extension of the HGU, there is no legal information regarding the lawsuit by Bathin Irsan et al.

- Regarding the complaint stating that the company does not have an internal complaint mechanism that can be accessed by stakeholders. Based on the results of field observations and interviews as well as document review, the company has a clear system and mechanism for complaints, both internal and external. The results of interviews with all samples also stated that they knew who the PIC could be contacted to submit their complaints. The company also installed a complaint box at the village office to accommodate the aspirations of the people who wanted their identities to be kept secret. However, if you look at the conditions on the ground, the party giving the complaint cannot read and write, this may be an obstacle in submitting a written complaint. However, the company has mitigated this by providing the PIC contact numbers for the Public Relations (Public Relations) division and the CSR division. In addition, the company can show documents in the form of a questionnaire that is routinely asked to stakeholders every 3-6 months. Based on this, complaints related to the absence of an internal complaint mechanism are deemed irrelevant.

**Plasma development chronology**

- **Plasma due to the extension of HGU in accordance with SK No. 29/HGU/KEM-ATR/BPN/IV/2021**
  - Deed of cooperation agreement on oil palm plantation business between Pesikaan Sukses Bersama Cooperative and PT Inecda No. 23 dated 7 November 2020. The agreement is for oil palm partnership cooperation with a land area of 234.97 Ha.
  - Deed of cooperation agreement on oil palm plantation business between Petalongan Makmur Jaya Sejahtera Cooperative and PT Inecda No. 21 dated November 6, 2020. The agreement is for oil palm partnership cooperation with a land area of 825.17 Ha
  - Deed of cooperation agreement on oil palm plantation business between Petalongan Makmur Jaya Sejahtera Cooperative and PT Inecda No. 20 dated November 6, 2020. The agreement is for oil palm partnership cooperation with a land area of 83.63 Ha
  - Deed of cooperation agreement on oil palm plantation business between Pematang Jaya Cooperative and PT Inecda No. 22 dated November 6, 2020. The agreement is for oil palm partnership cooperation with a land area of 81.67 Ha
  - Deed of cooperation agreement on oil palm plantation business between Pematang Jaya Cooperative and PT Inecda No. 22 dated 11 November 2020. The agreement is for oil palm partnership cooperation with a land area of 113.81 Ha

The total partnership for oil palm development that should have been built by PT Inecda was due to the extension of the HGU

**Public Issues and Auditor Verification related to the complaint on the RSPO website**

covering an area of 1,339.25 Ha.

Until the time of recertification, the realization of the plasma development is as follows:

- **KKPA** → Provision of land by the company with a full managed management pattern TBM Area (TT 2022): **305.20 Ha**
- Plants of Independent Smallholders (partners) → The actual land already planted belongs to the community and is willing to be a partner:
  - PSB Cooperative: 223.26 Ha
  - PMJS Cooperative: 185.60 Ha
  - PJS Cooperative: 48.96 Ha

So that the actual total land that has been cultivated is 763.02 Ha. In 2023, the plasma/partnership development is targeted to be 100% complete.




**Plasma due to other agreements/agreements (After the change of company ownership)**

- Letter from representatives of the Talang Sei Limau community dated July 3, 2015 regarding the request for KKPA development and a follow-up letter dated January 13, 2016
- Letter Number: 02/IN-SBNE/HMS/I/2016 dated January 15, 2016 from Public Relations and GM of PT Inecda to COO of PT Inecda regarding the submission of the KKPA pattern development on the basis of the following request:
  - PT Inecda borders the village of Talang Sei Limau
  - The purpose of the KKPA pattern partnership is to help the economy of the residents of Talang Sei Limau whose condition is still lagging behind
  - Letter from the leadership of PT Inecda in 2006 ago
  - This letter is the second submission from Talang Sei Limau Village
- Letter Number 49/LGL/INC-PKU/I/16 dated January 21, 2016 from the legal manager with a reply that before the company considers it, it must obtain initial information from the Village Head in the form of:
  - Location map to find out the coordinates and land area
  - The location of the plantation must be in accordance with the RTRW and its designation
  - For areas originating from forest areas (HPK) approval for the release of forest areas is required from the Minister of Forestry of the Republic of Indonesia
  - Certificate/proof of land ownership that has legal force
  - Prospective farmers must be registered as members of the cooperative with the conditions set by the cooperative concerned.
- Letter from the community of Talang Sei Limau Village Number: 001/2014/VII/2018 dated 18 July 2018 to the Head of the Agriculture and Fisheries Service of Indragiri Hulu Regency regarding the follow-up to the letter from the Talang Sei Limau Village Community to PT Inecda for the development of oil palm plantations under the KKPA pattern and reply from Legal Manager PT Inecda No: 049/LGL/INC-PKU/I/16. The purpose of the letter is so that the department can immediately carry out field checks
- Email dated August 1, 2018 from Public Relations of PT Inecda to Legal Manager of PT Inecda regarding the letter submitted by the people of Talang Sei Limau Village
- Letter of mutual agreement dated November 30, 2020 between the company and Talang Sei Limau Village with the core agreement as follows:
  - The first party is willing to facilitate the development of plasma plantations in Talang Sei Limau Village on an expanse of ±90 Ha in the first stage
  - The plasma plantation development process will begin in early 2021, the CPCL is proposed by the Village Head who is known to the Camat and then processed at the Distankan of Indragiri Hulu Regency
  - The second party provides community land so that it can increase the area of the plasma plantation plan at the next stage provided that the land is located in one stretch. The letter was signed by the Head of Talang Sei Limau Village and the Director of PT Inecda and acknowledged by Batin Adat, the Head of the Talang Sei Limau BPD and the Rakit Kulim Sub-district Head.

Based on the results of document review and interviews with representatives of Talang Sei Parit, Talang Sukamaju, and Talang Sei Limau villages as well as community leaders from these villages, it is known that until now the plasma agreements that have been agreed have not been realized. The company has actually started a plasma plantation development program covering an area of ± 1,300 Ha but the development of plasma/partnerships arose due to the extension of the HGU (which is different from the previous

**Public Issues and Auditor Verification related to the complaint on the RSPO website**

plasma agreement). The listed CPCLs are also not from the three villages. Based on the explanations of the parties including management representatives, it was found that the realization of plasma for the villages of Talang Sei Parit, Talang Sei Limau, and Talang Sukamaju could not be implemented because of the unavailability of land in the form of stretches as stated in the agreement.

<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 style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p><b>PT Inecda</b> Management Representative</p> <p><b><u>Didik S. Hariyanto</u></b> Monday, 10 October 2022</p> </div> <div style="text-align: center;">  </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Haikal Ramadhan Kharismansyah</u></b> Monday, 10 October 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	Labour Office	Indragiri Hulu District	-	By Phone	12 July 2022	✓	
2	Land Office	Indragiri Hulu District	-	By Phone	12 July 2022		✓
3	Environmental Services	Indragiri Hulu District	-	By Phone	12 July 2022	✓	
4	Agriculture, Plantation and Fisheries Office	Indragiri Hulu District	-	By Phone	12 July 2022	✓	
5	CV Prima Nusantara (local contractor)	Indragiri Hulu District	-	By Phone	12 July 2022	✓	
6	Plasma Cooperative (Petalongan Makmur Jaya Sejahtera & Pematang Jaya Sejahtera)	Indragiri Hulu District	-	By Phone	12 July 2022	✓	
7	Head of Perkebunan Sei Parit Village	Indragiri Hulu District	-	Direct	12 July 2022	✓	
8	Head of the Talang Mamak Tribe, Talang Sungai Parit Village (Batin Irsan)	Indragiri Hulu District	-	Direct	12 July 2022	✓	
9	Batin Irsan Lawyer	Indragiri Hulu District	-	Direct	12 July 2022	✓	
10	Head of the Talang Mamak Tribe, Talang Sungai Parit Village (Batin Larisan)	Indragiri Hulu District	-	Direct	12 July 2022	✓	
11	Talang Sei Parit Village	Indragiri Hulu District	-	Direct	13 July 2022	✓	
12	Talang Sungai Limau Village	Indragiri Hulu District	-	Direct	13 July 2022	✓	
13	Head of the Talang Mamak Tribe, Talang Sungai Limau Village (Batin Intangan)	Indragiri Hulu District	-	Direct	13 July 2022	✓	
14	Labor Union (Estate & Mill)	Indragiri Hulu District	-	Direct	12 July 2022	✓	
15	Inecda Employee Cooperative	Indragiri Hulu District	-	Direct	12 July 2022	✓	
16	Gender committee	Indragiri Hulu District	-	Direct	12 July 2022	✓	
17	Estate 1 Workers	Indragiri Hulu District	-	Direct	13 July 2022	✓	
18	Inecda POM	Indragiri Hulu District	-	Direct	12 July 2022	✓	
19	Estate 2 Workers	Indragiri Hulu District	-	Direct	14 July 2022	✓	
20	WWF	Indonesia		Questionnaire	04 July 2022		✓
21	Sawit Watch	Indonesia		Questionnaire	04 July 2022		✓
22	WALHI	Indonesia		Questionnaire	04 July 2022		✓
23	AMAN	Indonesia		Questionnaire	04 July 2022		✓
24	Gender Committee	Indragiri Hulu District	-	Direct	12 July 2022	✓	



**Appendix 2. Assessment Program**

DATE	11 - 16 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 11 July 2022</b>		
07.30 – 09.15 10.00 – 15.00	<ul style="list-style-type: none"> <li>Jakarta → Pekanbaru</li> <li>Pekanbaru → Site</li> </ul>	All Auditor
15.00 – 16.00	<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>	All Auditor
<b>Tuesday, 12 July 2022</b>		
08.30 – 12.00	<ul style="list-style-type: none"> <li><b>Public Consultation:</b> <ul style="list-style-type: none"> <li>Government Agency of Indragiri Hulu</li> <li>Gender Committee, Contractor, Worker Union, Village Representative, Previous Land Owner, etc</li> <li>FFB Supplier, Scheme smallholder</li> </ul> </li> <li>Document review</li> <li>Verification of Basic Information Mill and Estate</li> </ul>	All Auditor
12.00 – 14.00	<b>Break</b>	All Auditor
14.00 – 16.00	<b>Field observation to Inecda 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>	HRK/KKF RAH  ART
16.00 – 16.30	Presentation of Daily Progress	All Auditor
<b>Wednesday, 13 July 2022</b>		
08.00 – 12.00	<b>Field Observation to Estate-1</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	HRK  ART/KKF   RAH
12.00 – 14.00	• <b>Break</b>	All Auditor
14.00 – 16.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Verification of stakeholder consultation result and field visit.</li> </ul>	All Auditor
16.00 – 16.30	• Presentation of Daily Progress	All Auditor
<b>Thursday, 14 July 2022</b>		

DATE	11 - 16 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	<b>Field Observation to Estate-2</b> Aspect to be verified: <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>HRK</b>  <b>ART/KKF</b>  <b>RAH</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.00	<ul style="list-style-type: none"> <li>• Document review and completing audit checklist.</li> <li>• Continuing public consultation (If needed)</li> <li>• Verification of stakeholder consultation result and field visit.</li> </ul>	<b>All Auditor</b>
16.00 – 16.30	<ul style="list-style-type: none"> <li>• Presentation of Daily Progress</li> </ul>	<b>All Auditor</b>
<b>Friday, 15 July 2022</b>		
08.00 – 11.30	<ul style="list-style-type: none"> <li>• Document review and completing audit checklist.</li> <li>• Continuing public consultation (If needed)</li> <li>• Verification of stakeholder consultation result and field visit.</li> </ul>	<b>All Auditor</b>
11.30 – 14.00	<b>Break/Friday Prayer</b>	<b>All Auditor</b>
14.00 – 15.00	Internal Meeting Auditor Team	<b>All Auditor</b>
15.00 – 16.00	Closing Meeting	<b>All Auditor</b>
17.00 – 23.00	Site → Pekanbaru	<b>All Auditor</b>
<b>Saturday, 16 July 2022</b>		
10.00 – 11.15	Pekanbaru → Jakarta	<b>All Auditor</b>